

FEDERAL BUREAU OF INVESTIGATION  
FOI/PA  
DELETED PAGE INFORMATION SHEET  
FOI/PA# 1180896-1

Total Deleted Page(s) = 62

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Page 32 ~ Referral/Direct - DEA;  
Page 33 ~ Referral/Direct - DEA;  
Page 34 ~ Referral/Direct - DEA;  
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Page 54 ~ Referral/Direct - DEA;  
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Page 56 ~ Referral/Direct - DEA;  
Page 57 ~ Referral/Direct - DEA;  
Page 58 ~ Referral/Direct - DEA;  
Page 59 ~ Referral/Direct - DEA;  
Page 60 ~ Referral/Direct - DEA;  
Page 61 ~ Referral/Direct - DEA;  
Page 62 ~ Referral/Consult - DEA;  
Page 63 ~ Referral/Consult - DEA;  
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Page 139 ~ b6; b7C;  
Page 140 ~ b6; b7C; b7D;  
Page 151 ~ b6; b7C; b7D;

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X Deleted Page(s) X  
X No Duplication Fee X  
X For this Page X  
XXXXXXXXXXXXXXXXXXXXXXXXXXXXX

# Memorandum



To : SAC, DALLAS (194B-DL-

Date 4/15/91

From : SA [REDACTED]

b6  
b7C

Subject: UNSUBS,  
aka Unknown Public Officials,  
CHICAGO, IL;

b6  
b7C

[REDACTED]  
ENTERTAINMENT SYSTEMS OF  
DALLAS, INC. (ESD),  
3102 OAK LAWN #730,  
DALLAS, TEXAS;

[REDACTED] - ESD;  
CPO - LOCAL LEVEL; HOBBS ACT;  
ITAR-BRIBERY; RICO  
OO: DALLAS

On 4/13/91, writer met with [REDACTED] (PROTECT  
IDENTIFY), [REDACTED]

[REDACTED] advised [REDACTED]

[REDACTED] Source advised that [REDACTED]

[REDACTED] source advised that [REDACTED]

b6  
b7C  
b7D

3 - Dallas (2) - 194B-DL-  
(1 - 66-1806)

JWM/tm  
(3) *tm*

*affiance Non Teleph  
elsewhere*  
*recommend approval  
for opening and consentuals  
TWC 4/15/91*

194B-DL

b6  
b7C  
b7D

It is requested that above captioned case be opened and assigned and that SAC grant emergency authority for a non-telephonic consensual monitor.

On 4/15/91, AUSA [ ] was advised of above circumstances. AUSA [ ] advised he would pursue prosecution of captioned matter pending successful investigation.

b6  
b7C



Field File No. 194B-DL-57543-1A①

Serial # of Originating Document \_\_\_\_\_

OO and File No. \_\_\_\_\_

Date Received \_\_\_\_\_

From \_\_\_\_\_  
(Name of Contributor)

\_\_\_\_\_  
(Address of Contributor)

\_\_\_\_\_  
(City and State)

By  \_\_\_\_\_  
(Name of Special Agent)

To Be Returned ☐ Yes ☐ No      Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6(e), Federal Rules  
of Criminal Procedure ☐ Yes ☐ No

Title: DONALD STEPHENS - Mayor ROSEMONT, IL.  
EX A1;  
ITAR Berbery

Reference: \_\_\_\_\_  
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

FD-759.

b6  
b7C

Date

4/17/91

Title and Character of Case

ET AL;  
CPO-LOCAL LEVEL; HOBBS ACT;  
ITAR-BRIBERY; RICO  
OO:DL

b6  
b7C

Date Property Acquired

4/16/91

Source From Which Property Acquired

RECORDER

Location of Property or Bulky Exhibit

Reason for Retention of Property and Efforts Made to Dispose of Same

BULKY

EVIDENCE

Jade #1

To Be Returned

See Serial

Agent Submitting Property or Exhibit

Agent Assigned Case

☐ Yes ☒ No

☐ Yes ☒ No Grand Jury Property - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure.

☐ Yes ☒ No Property to be Forfeited to the Government

b6  
b7C

Description of Property or Exhibit

ONE TAPE REORDERING OF

b7D

destroyed 5/22/11. *AK*  
all FD-782 dated 4/22/11  
*AK*

For Valuable and/or Narcotics Evidence Only

Evidence Bag Seal # \_\_\_\_\_

Signature of Two  
Special Agents  
Verifying and Sealing  
Bag Contents \_\_\_\_\_

SEMIANNUAL INVENTORY CERTIFICATION TO JUSTIFY RETENTION OF PROPERTY (Initial and Date) *(1)*

194B-DL-57543-1B  
BLOCK STAMP

SEARCHED \_\_\_\_\_ INDEXED \_\_\_\_\_  
SERIALIZED \_\_\_\_\_ FILED \_\_\_\_\_

APR 17 1991

FBI-DALLAS *nyf*

Field File # 194B-DL-57543

OO: DL

ORIGINAL (FILE COPY)

## CHAIN OF CUSTODY

<b>Accepted Custody</b>	<b>Date</b>	<b>Time</b>	<b>Released Custody</b>	<b>Date</b>	<b>Time</b>
Signature _____ Reason _____			_____		
Signature _____ Reason _____			_____		
Signature _____ Reason _____			_____		
Signature _____ Reason _____			_____		
Signature _____ Reason _____			_____		
Signature _____ Reason _____			_____		
Signature _____ Reason _____			_____		
Signature _____ Reason _____			_____		
Signature _____ Reason _____			_____		

[illegible]



# Rosemont rolls dice to land casino

By David Ibatia

It won't float, it won't foot and it will stay rooted in one spot, but the Rosemont-O'Hare Exposition Center is about to become the target of a legislative attempt to make it eligible for riverboat-style casino gambling.

Legislators friendly to Rosemont Mayor Donald E. Stephens plan to tack an amendment this week onto a House gambling bill that would put the expo center, the second largest convention center in the state behind McCormick Place, under Illinois' riverboat gambling act.

Stephens conceded that it's a longshot that Rosemont can win permission for a casino.

"I'm not saying we've got this bill locked up," he said. "But I've seen some strange things happen in Springfield."

Probably nothing could be stranger, in this session of the legislature, than for a site along Bryn Mawr Avenue east of River Road in Rosemont to be designated for legal blackjack, craps, roulette and slot machines.

"Without going into the specifics of any proposal, the governor believes that we have enough legalized gambling in Illinois right now," said Dan Eglar, spokesman for Gov. Jim Edgar. "The pot for gambling is only so big."

Stephens proposes renovating one of the original sections of the expo center for a casino, to be

owned by the village and operated by the state or by a state-designate with experience in gaming.

"It's a tool," Stephens said. "We don't want the money. All of the money should go to the state common school fund or wherever the legislature deems best."

"There should be only one publicly owned casino—we don't want a 'Glitter Gulch' here—that can be used as a marketing tool for conventions and trade shows."

"Las Vegas is building a one-million-square-foot convention center and they're already talking about a million-square-foot addition," Stephens said.

"If we don't wake up, we'll find ourselves second or third for con-

See Casino, p. 16

Chicago Tribune, 5/15/91

194-OL-57543 1X1

SEARCHED	INDEXED
SERIALIZED	FILED
JUL 24 1991	
FBI - CHICAGO	

b6  
b7c

# Casino

Continued from page 1

vention and trade shows."

However, Schaumburg Village President Al Larson said: "I don't see casino gambling as economic development. That's like saying pinball machines generate economic development ... and we don't even permit pinball machines in Schaumburg."

Schaumburg and Rosemont are rivals for state funding for convention centers. In this game, Stephens has proven himself an adept player.

Earlier this year, Rosemont secured \$10 million in state civic center funds for an expansion of the expo center while the state denied Schaumburg's request for \$20 million to build its own convention hall. Currently, the two communities are closely matched rivals for a proposed Personal Rapid Transit system.

Stephens has been Rosemont's only mayor since the village's incorporation in 1956. He has taken a village that was little more than a few houses, a strip of industry and some hotels and made it into a major convention town.

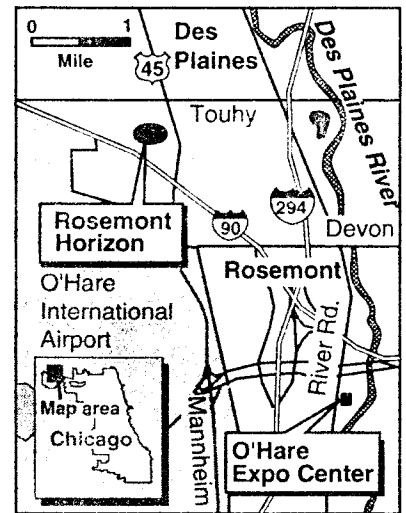
Stephens' tenure hasn't been without controversy, however.

He was indicted twice and acquitted twice on federal tax and fraud charges. He has been investigated by the U.S. attorney's office, the Federal Bureau of Investigation, the Cook County state's attorney's office and the Illinois Liquor Control Commission. The Internal Revenue Service has audited his tax returns.

Yet in 1985, the federal judge who presided at one of Stephens' trials expressed admiration for the mayor, praising him as exemplifying the people "who make this country go."

State Rep. Ralph Capparelli (D-Chicago), assistant House majority leader, has agreed to introduce the Rosemont casino amendment.

Capparelli also is the sponsor of bills that would bring Navy Pier under the riverboat gambling act



Chicago Tribune

and slot machines to O'Hare International and Midway Airports.

"I have no ulterior motive except to get real estate tax relief to people in my district," Capparelli said.

Joseph Mudd, administrative assistant to Stephens for inter-governmental and legislative affairs, said winning the support of the Edgar administration is the key to getting a casino for Rosemont.

While Mudd acknowledged Edgar's concerns about expanded riverboat gambling, he said that the governor hasn't specifically come out against land-based casinos. "This could be a good test to see if there's any support for them."

The Rosemont casino would take up 20,000 square feet in the expo center. The President sidewheeler riverboat, which began playing the Iowa side of the Mississippi River out of Davenport in April, has by comparison 27,000 square feet of gaming space and the average Las Vegas or Atlantic City casino has 60,000 square feet.

"I can't see any difference if I throw my money away in a horse race, lottery, riverboat gambling or a casino," Stephens said.

"What I've said to Joseph Mudd is, 'let's get this thing in as a pilot program.' If it works here, it could work at McCormick Place, too."

Chain of Custody - Original Tape Recording Envelope  
FD-504a (Rev. 3-8-89)

File # 194B-DL-57543  
(Include 1B#)

Tape # \_\_\_\_\_

AGENT SUPERVISING INTERCEPTION \_\_\_\_\_

☐ TITLE III COURT ORDER AUTHORIZING INTERCEPTION-CONTROL# \_\_\_\_\_

☐ FISA COURT ORDER AUTHORIZING INTERCEPTION-SYMBOL # \_\_\_\_\_

☒ CONSENSUAL ☐ TELEPHONE ☒ NONTELEPHONE-CM # (IF APPROPRIATE) \_\_\_\_\_

☐ VOLUNTEERED/SUBPOENAED TAPE-NOT FBI ELSUR ☐ INTERVIEW ☐ OTHER \_\_\_\_\_

INTERCEPTION: \_\_\_\_\_

TAPE REMOVED FROM \_\_\_\_\_

IDENTITY OF PERSONS INTERCEPTED, IF KNOWN \_\_\_\_\_

		Date	Time
Signature		4/17/91	3:35 PM
Reason	Evidence	1991	Am
Signature			
Reason			
Signature			
Reason			
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Signature			
Reason			
Signature			
Reason			

SEARCHED RM INDEXED RM  
SERIALIZED 1 FILED 1

MAY 03 1991

FBI - DALLAS

Russell

MF/KG

# Memorandum



To : SAC, DALLAS

Date 4/17/91

From : ELSUR ASSISTANT,

b6  
b7c

Subject : ELSUR SUB FILE

THE BELOW LISTED SUB FILE WILL BE USED FOR ELSUR  
CHECKLISTS, FD-670 and FD-671, EXCLUSIVELY.

194B-DL-57543 "Sub. A"

Sub A opened 4/17/91. rlh

3 - Dallas  
RLH/rlh

(2) 194B-DL-57543)  
(1-194B-DL-57543 Sub A)

194B-DL-57543-4

SEARCHED	INDEXED
SERIALIZED	FILED
APR 17 1991	
FBI - DALLAS	

ml

U.S. Department of Justice



Federal Bureau of Investigation

In Reply, Please Refer to  
File No.

1801 N. Lamar, Suite 300  
Dallas, Texas 75202  
April 24, 1991

Honorable Marvin Collins  
United States Attorney  
Northern District of Texas  
1100 Commerce Street, Room 16G28  
Dallas, Texas 75242

Attention: [redacted]  
Assistant United States Attorney

b6  
b7C

RE: CONSENSUAL MONITORING OF TELEPHONE OR  
NONTTELEPHONE CONVERSATIONS OF [redacted]  
[redacted]

b6  
b7C  
b7D

Dear Sir:

This is to confirm the conversation of April 15, 1991  
between Assistant United States Attorney (AUSA) [redacted] and  
Special Agent (SA) [redacted] during which the following was  
discussed.

b6  
b7C

Dallas office of the Federal Bureau of Investigation  
(FBI) has developed source, [redacted]  
[redacted] who is in a unique position to provide  
detailed information concerning [redacted]

b6  
b7C  
b7D

According to  
[redacted]

Chicago office of the FBI has advised that Mayor  
Stephens has been indicted on at least two *previous* occasions on  
federal charges. Chicago office advised they have reason to  
believe that Mayor Stephens is closely related to organized crime  
families operating out of the city of Chicago.

- 2 - Addressee
- ② - 194B-DL-57543
- 1 - 66-1805 (telephone control file)

JWA/smf

Serialize

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194B-DL-57543-6

NR

[Redacted]

b6  
b7C  
b7D

AUSA [Redacted] stated he saw no entrapment issue  
involved and authorized [Redacted]

b6  
b7C  
b7D

[Redacted]

Sincerely, *yours*

Bobby R. Gillham,  
Special Agent in Charge

By:

[Redacted]

Supervisory Special Agent

b6  
b7C

AIRTEL

## Federal Bureau of Investigation

FROM: SAC, DALLAS (66-1810 SUB A)

DATE: 5/3/91

TO: Director, FBI (62-318)  
Attn: ELSUR Index

ELSUR

Enclosed for the ELSUR Index are # six ELSUR cards.Case Title: DONALD STEPHENS, Mayor,  
Rosemont, IL;  
ET AL;  
CPO-LOCAL LEVEL; HOBBS ACT;  
ITAR-BRIBERY; RICO;  
OO: DALLAS☐ TITLE III ☐ FISA☐ TESUR Source # \_\_\_\_\_  
☐ MISUR Source # \_\_\_\_\_  
☐ CCTV Source # \_\_\_\_\_  
☐ BEEPER Source # \_\_\_\_\_  
☐ OTHER Source # \_\_\_\_\_

Specify technique \_\_\_\_\_

Approved by: ☐ USDC Judge \_\_\_\_\_ on \_\_\_\_\_ Date \_\_\_\_\_☐ FISC on \_\_\_\_\_ Date \_\_\_\_\_

EXTENSION DATE(S) \_\_\_\_\_ ; \_\_\_\_\_ ; \_\_\_\_\_ ; \_\_\_\_\_

DISCONTINUE DATE(S) \_\_\_\_\_ ; \_\_\_\_\_ ; \_\_\_\_\_ ; \_\_\_\_\_

☒ CONSENSUAL MONITORING (CM)☐ Telephone - # of cards \_\_\_\_\_ - CM # \_\_\_\_\_ ☒ Nontelephone - # of cards 6 - CM # 91-21

## ELSUR CARD SUBMISSION:

Principal Card(s) # Enclosures \_\_\_\_\_

List Target(s) only:

Proprietary Interest (PI) Card(s) # Enclosures \_\_\_\_\_

List all names, addresses, telephone numbers and etc. pertaining to PI.

Overhear card(s) # Enclosures 6

List Name(s) only:

2 - Bureau ( 6 Enclosures)

3 - Dallas (1 - 66-1810 SUB A)

(2 - 194B-DL-57543)

JMM/rjh

Serial

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File

Search

MCP/LSN

194B-DL-57543-7

FBI

## TRANSMIT VIA:

☒ Teletype  
☐ Facsimile  
☐ \_\_\_\_\_

## PRECEDENCE:

☐ Immediate  
☒ Priority  
☐ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☒ UNCLAS

Date 5-9-91

LVV004D.129

FM FBI DALLAS (194B-DL-57543) (SQ. 8) (P)

TO DIRECTOR FBI/PRIORITY/

BT

UNCLAS

CITE: //3190:SQUAD 8//

SUBJECT: DONALD STEPHENS, MAYOR, ROSEMONT, ILLINOIS; ET AL; CPO-  
 LOCAL LEVEL; HOBBS ACT; ITAR-BRIBERY; RICO; OO: DALLAS.

REFERENCE FD-759 DATED APRIL 15, 1991, AND DALLAS TELETYPE  
 TO THE DIRECTOR, DATED APRIL 18, 1991.

## PURPOSE:

AUTHORITY IS REQUESTED TO UTILIZE AN ELECTRONIC DEVICE TO  
 MONITOR AND/OR RECORD PRIVATE CONVERSATIONS BETWEEN [REDACTED]

[REDACTED] IN CONNECTION WITH [REDACTED]

1 - Dallas  
 JWM:lv  
 (1)

SENT

Approved: B@G/cy.

Transmitted \_\_\_\_\_

Per al

Index \_\_\_\_\_

File \_\_\_\_\_

Search \_\_\_\_\_

(Number)

(Time)

LVV00450.129

MP/WSA

194B-DL-57543-8

FBI/DOJ

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 b7D

b6  
 b7C



FBI

## TRANSMIT VIA:

☐ Teletype  
☐ Facsimile  
☐ \_\_\_\_\_

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☐ UNCLAS

Date \_\_\_\_\_

1 ^PAGE TWO DL 194B-DL-57543 UNCLAS

## 2 DETAILS:

3 DOJ APPROVAL IS REQUIRED INASMUCH AS INVESTIGATION OF THIS  
4 MATTER RELATES TO A PUBLIC OFFICIAL/BRIBERY.

## 5 BACKGROUND:

6 THE DALLAS OFFICE HAS DEVELOPED A SOURCE WHO IS [REDACTED]

7 [REDACTED] SOURCE HAS STATED THAT [REDACTED]

b6  
b7C  
b7D

## 18 U. S. ATTORNEY'S OPINION:

19 ASSISTANT U. S. ATTORNEY (AUSA) [REDACTED] NORTHERN  
20 DISTRICT OF TEXAS, WAS APPRISED OF THE FACTS AND CIRCUMSTANCES  
21 OF CAPTIONED MATTER. AUSA [REDACTED] ADVISED HE SAW NO ENTRAPMENT

b6  
b7C

Approved: \_\_\_\_\_ Transmitted \_\_\_\_\_ Per \_\_\_\_\_  
(Number) (Time)

FBI

## TRANSMIT VIA:

☐ Teletype  
☐ Facsimile  
☐ \_\_\_\_\_

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☐ UNCLAS

Date \_\_\_\_\_

1 ^PAGE THREE DL 194B-DL-57543 UNCLAS

2 ISSUES CONCERNING SAME AND AUTHORIZED THE USE OF THE BODY  
3 RECORDER.4 EMERGENCY AUTHORITY WAS GRANTED BY FBIHQ DUE TO TIME  
5 CONSTRAINTS REGARDING [REDACTED]6 [REDACTED]  
7 ADMINISTRATIVE:

8 SOURCE IS IDENTIFIED AS [REDACTED]

9 BT  
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20  
21b6  
b7C  
b7D

b7D

Approved: \_\_\_\_\_ Transmitted \_\_\_\_\_ Per \_\_\_\_\_  
(Number) (Time)



U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to  
File No.

Dallas, Texas 75202

May 14, 1991

DONALD STEPHENS - MAYOR, ROSEMONT, ILLINOIS;  
[REDACTED] ROSEMONT, ILLINOIS;

DBA [REDACTED]  
[REDACTED]

CORRUPTION OF STATE AND LOCAL PUBLIC OFFICIALS -  
LOCAL LEVEL; HOBBS ACT; INTERSTATE TRANSPORTATION IN  
AID OF RACKETEERING - BRIBERY; RACKETEER INFLUENCED AND  
CORRUPT ORGANIZATIONS

The Dallas Office has opened a full investigation  
concerning captioned subjects based on information provided by a  
cooperating witness (CW). CW information indicates that [REDACTED]

Information generated from several other credible  
sources has shown that [REDACTED]

Subjects [REDACTED]  
[REDACTED]

According to source, [REDACTED]  
[REDACTED]

4 - Bureau  
2 - Dallas (194B-DL-57543)  
JWM/sgl

Serialize (6)

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Search

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

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b7C

b6  
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b6  
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b7C  
b7D

DONALD STEPHENS - MAYOR, ROSEMONT, ILLINOIS;  
ET AL;

b6  
b7C  
b7D

Assistant U. S. Attorney (AUSA) [REDACTED] Northern  
District of Texas, was advised of the above facts. AUSA [REDACTED]  
stated that his office would pursue prosecution if investigation  
warranted.

b6  
b7C

FBI

## TRANSMIT VIA:

- ☐ Teletype  
☐ Facsimile  
☒ AIRTEL

## PRECEDENCE:

- ☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

- ☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ NCLAS E F T O  
☐ UNCLAS

Date 5/14/91

To : Director, FBI (Attention: Criminal Investigative Division)  
 From : SAC, DALLAS Resident Agency \_\_\_\_\_  
 Subject : Public Corruption Data Transmittal Form (if applicable)

## 1. Title : (use additional page if necessary)

DONALD STEPHENS - MAYOR, ROSEMONT, ILLINOIS;  
 ET AL;  
 CPO - LOCAL LEVEL ; ITAR - BRIBERY; RICO;  
 OO: DALLAS

Re: Dallas teletype dated 4/18/91.

2. ☒ Enclosed are the original and three copies of a LHM for dissemination purposes.  
(check if appropriate)3. Office of Origin File No. 194B - DL - 57543  
(include alpha)4. ☒ Initial submission ☐ Supplemental submission ☐ Final submission (check one)5. Date opened upon SAC authority 4/15/91

## 6. Level of subject public official(s) (See codes on reverse. Use additional pages, as necessary, for additional subjects.) (all inclusive)

Level <u>M02</u>	Number of subject (s) <u>1</u>
Level <u>M18</u>	Number of subject (s) <u>1</u>
Level _____	Number of subject (s) _____

7. Indicate which of the following investigative techniques have been utilized to date.  
(check all appropriate boxes) (all inclusive)

## Code Number / Description

- Z1 ☐ Acct. Tech. Assist.  
 Z2 ☐ Aircraft Assist.  
 Z3 ☐ Computer Assist.  
 Z4 ☒ Consensual Monitoring  
     Tel \_\_\_\_\_ Non Tel \_\_\_\_\_  
 Z5 ☐ Elsur - FISC  
 Z6 ☐ Elsur - Title III  
 Z7 ☐ Eng. Sect. Field Support  
 Z8 ☐ Eng. Sect. Tape Exams  
 Z9 ☐ Hypnosis Assist.  
 Z10 ☐ Ident Div. Assist.  
 Z11 (A) ☐ Symboled Informant  
 Z11 (B) ☒ Cooperating Witness  
 Z11 (C) ☐ Cooperating Subject  
 Z12 ☐ Lab. Div. Exams  
 Z13 ☐ Lab. Div. Field Support

## Code Number / Description

- Z14 ☐ Pen Registers  
 Z15 ☐ Photo Coverage  
 Z16 ☐ Polygraph Assist.  
 Z17 ☐ Search Warrants Use  
 Z18 ☐ Show Money Use  
 Z19 ☐ Surveillance Squad Use  
 Z20 ☐ Swat Team  
 Z21 ☐ Tech. Agent  
 Z22 ☐ Telephone Toll Records  
 Z23 ☐ Group I UCO.  
     Date Init. \_\_\_\_\_ Date Covert Activity Ceased \_\_\_\_\_  
 Z24 ☐ Group II UCO  
     Date Init. \_\_\_\_\_ Date Covert Activity Ceased \_\_\_\_\_  
 Z25 ☐ Undercover - Other  
 Z26 ☐ NCAVG/VI - CAP  
 Z27 ☐ V IA

2 - Field Office  
 3 - FBIHQ  
 (1 - White-Collar Crimes Section, Public Corruption Unit)

JWM/sgl (5)

Approved: \_\_\_\_\_ Transmitted \_\_\_\_\_ Per \_\_\_\_\_  
 (Number) (Time)  
 Serialized \_\_\_\_\_  
 Indexed \_\_\_\_\_  
 Filed \_\_\_\_\_  
 Search \_\_\_\_\_

194B-DL-57543

FBI/DOJ

194B-DL-57543-B

### Codes for Levels of Officials

Federal		Local (Continued)	
K01	President	M13	Law Enforcement Officer - command position Field Office or SSRA city
K02	Vice-President	M14	Law Enforcement Officer - command position Non-Field Office or SSRA city
K03	Cabinet Level	M15	Law Enforcement Officer - ranking officer Field Office or SSRA city
K04	U.S. Senator	M16	Law Enforcement Officer - ranking officer Non-Field Office or SSRA city
K05	U.S. Representative	M17	Other Elected Officials - Field Office or SSRA city
K06	Judge	M18	Other Elected Officials - Non-Field Office or SSRA city
K07	Prosecutor	M19	Public Employee (appointed) - Field Office or SSRA city, managerial level or above
K08	Law Enforcement Official	M20	Public Employee (appointed) - Non-Field Office or SSRA city, managerial level or above
K09	Federal Employee, GS-13 and above	M21	Public Employee (appointed) - Field Office or SSRA city, less than managerial
K10	Federal Employee, GS-12 and below	M22	Public Employee (appointed) - Non-Field Office or SSRA city, less than managerial
K11	Military Personnel, commissioned		
K12	Military Personnel, non-commissioned		
State		Territorial	
L01	Governor	N01	Governor
L02	Lt. Governor	N02	Lt. Governor
L03	Cabinet Level	N03	Cabinet Level
L04	Senator	N04	Senator
L05	Representative	N05	Representative
L06	Judge	N06	Judge
L07	Prosecutor	N07	Prosecutor
L08	Law Enforcement Officer	N08	Law Enforcement Officer
L09	State Employee, managerial or above	N09	Territorial Employee, managerial or above
L10	State Employee, less than managerial	N10	Territorial Employee, less than managerial
Local			
M01	Mayor - Field Office or SSRA city		
M02	Mayor - Non-Field Office or SSRA city		
M03	Legislator (Commissioner, Council- man, etc.) Field Office or SSRA city		
M04	Legislator (Commissioner, Council- man, etc.) Non-Field Office or SSRA city		
M05	Judge - Field Office or SSRA city		
M06	Judge - Non-Field Office of SSRA city		
M07	Prosecutor - Field Office or SSRA city		
M08	Prosecutor - Non-Field Office or SSRA city		
M09	Chief of Police - Field Office or SSRA city		
M10	Chief of Police - Non-Field Office or SSRA city		
M11	Sheriff - Field Office or SSRA city		
M12	Sheriff - Non-Field Office or SSRA city		

8. Type of Corruption Investigated (check all appropriate boxes)

Code Number/Description

- (A) Judicial Corruption  
A1 ☐ Federal  
A2 ☐ State  
A3 ☒ Local  
A4 ☐ Territorial

- (B) Legislative Corruption  
B1 ☐ Federal  
B2 ☐ State  
B3 ☒ Local  
B4 ☐ Territorial

- (C) Contract Corruption  
C1 ☐ Federal  
C2 ☐ State  
C3 ☐ Local  
C4 ☐ Territorial

Code Number/Description

- (D) Regulatory Corruption  
D1 ☐ Federal  
D2 ☐ State  
D3 ☐ Local  
D4 ☐ Territorial

- (E) Law Enforcement Corruption  
E1 ☐ Federal  
E2 ☐ State  
E3 ☐ Local  
E4 ☐ Territorial

- (F)  
F1 ☐ Abuse of Office  
Not Involved

Code Number/Description

- (G) Election Law Matters  
G1 ☐ Vote Buying  
G2 ☐ Alien Voting  
G3 ☐ Ballot Box Stuffing  
G4 ☐ Fraudulent Registrations  
G5 ☐ Tampering with Voting Equipment  
G6 ☐ Campaign Financing  
G7 ☐ Intimidation  
G8 ☐ All Others

9. Does corruption involve drug related activity? (check one) ☐ Yes ☐ No

10. Statistical Accomplishments (cumulative total)

- A. Complaints \_\_\_\_\_  
B. Informations \_\_\_\_\_  
C. Indictments \_\_\_\_\_  
D. Convictions \_\_\_\_\_  
E. Pre-trial Diversions \_\_\_\_\_

- F. Acquittal \_\_\_\_\_  
G. Recoveries \_\_\_\_\_  
H. Restitutions \_\_\_\_\_  
I. Potential Economic Loss Prevented \_\_\_\_\_

11. Forfeiture Provisions Utilized (check one) ☐ Yes ☒ No

12. Status of Case (check one)

- ☐ Pending Preliminary Inquiry (Limited to 90 days)  
☒ Pending Full Investigation  
☐ Closed

13. Basis for Closing

Level of Official

Number of Subjects (All Inclusive)

- ☐ U.S. Attorney Declination \_\_\_\_\_  
☐ Dismissal \_\_\_\_\_  
☐ Acquittal \_\_\_\_\_  
☐ Conviction \_\_\_\_\_  
☐ Administrative by SAC \_\_\_\_\_

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Additional Administrative Data (if needed):

TRANSMIT VIA: AIRTEL

CLASSIFICATION: \_\_\_\_\_

DATE: 5/15/91

FROM: Director, FBI

TO: SAC, Dallas (194B-DL-57543)

DONALD STEPHENS, MAYOR, ROSEMONT, ILLINOIS; ET AL; CORRUPTION OF  
STATE AND LOCAL PUBLIC OFFICIALS-LOCAL LEVEL; HOBBS ACT; ITAR-  
BRIBERY; RICO; OO: DALLAS

Reference Dallas teletype to FBIHQ dated 5/9/91.

Enclosed are two copies of a memorandum from the  
Director to the Office of Enforcement Operations (OEO), Criminal  
Division, U.S. Department of Justice, upon which OEO authorized  
you to use a transmitting and/or recording device. This  
authority is for a 60-day period commencing 5/15/91 and ending  
7/13/91.

You are to submit an FD-621 within 30 days of the  
expiration of this authorization furnishing information regarding  
use of this equipment in accordance with MIOG, Part II, Section  
10-10.3(9).

In the event a renewal of this authority is deemed  
warranted, submit your request with full justification at least  
seven days prior to the expiration of the existing authority, in  
compliance with MIOG, Part II, Section 10-10.3(9).

Enclosures (2)

1 - Elsur Coordinator, Dallas

*5/18/91*  
*renewal*  
*Criminal Monitoring*  
*tm*

*mt*

194B-DL-57543-13X1  
(C) Q  
[Redacted Box]  
W/Enc

b6  
b7C



# Memorandum



To Office of Enforcement Operations  
Criminal Division

Date May 10, 1991

From *WSS*  
Director, FBI

Subject DONALD STEPHENS, MAYOR, ROSEMONT, ILLINOIS; ET AL;  
CORRUPTION OF STATE AND LOCAL PUBLIC OFFICIALS - LOCAL  
LEVEL; HOBBS ACT; ITAR-BRIBERY; RICO

## ACTION MEMORANDUM

Enclosed is a copy of a communication which furnishes information concerning a current investigation.

Pursuant to the Attorney General's Memorandum of November 7, 1983, captioned "Procedures for Lawful, Warrantless Interceptions of Verbal Communications," addressed to the Heads and Inspectors General of Executive Department and Agencies, the following notification/request is being made relative to the authorization to utilize an electronic device to monitor and record private non-telephonic conversations with the consent of a party.

Pursuant to the Attorney General's Order Number 985-82, dated August 6, 1982, captioned "Delegation of Authority to Authorize Television Surveillance," the following notification/request is being made relative to the authorization to utilize Closed Circuit Television (CCTV) surveillance in connection with captioned matter.

1. Emergency authority to utilize an electronic device to record private non-telephonic conversations with the consent of a party was granted by an appropriate FBI official on \_\_\_\_\_, for 30 days ending \_\_\_\_\_. Exigent circumstance precluded a request for authorization in advance.
2. Emergency authorization to utilize CCTV surveillance in connection with captioned matter was granted by an appropriate FBI official on \_\_\_\_\_, for 30 days ending \_\_\_\_\_. Exigent circumstances precluded a request for authorization in advance.

Memorandum from Director, FBI to Office of Enforcement Operations  
RE: DONALD STEPHENS, MAYOR, ROSEMONT, ILLINOIS; ET AL;  
CORRUPTION OF STATE AND LOCAL PUBLIC OFFICIALS - LOCAL  
LEVEL; HOBBS ACT; ITAR-BRIBERY; RICO

- \_\_\_\_\_ 3. As further utilization of an electronic device to monitor and record private non-telephonic conversations with the consent of a party is expected in this matter, it is requested that you approve the use of this equipment for a period of \_\_\_\_ days beginning \_\_\_\_\_.
- \_\_\_\_\_ 4. As further utilization of CCTV is expected in this matter, it is requested that your office approve the use of this equipment for a period of \_\_\_\_ days beginning \_\_\_\_\_.
- ✓ \_\_\_\_\_ 5. Non-emergency authorization is requested for the utilization of an electronic device to monitor and record private non-telephonic conversations with the consent of a party for a period of 60 days beginning
- \_\_\_\_\_ 6. Non-emergency authorization is requested for the utilization of CCTV surveillance for a period of \_\_\_\_ days beginning \_\_\_\_\_.

The use of these electronic devices in this case is being recommended in the best interest of effective law enforcement in that they are expected to provide corroborative evidence and/or protect the individual(s) utilizing the equipment.

The use of CCTV will not involve any trespass and it will be utilized only when a consenting party is present. The CCTV will be under care, custody and control of the FBI.

Enclosure

Approved:

(Pursuant to the Authority of the  
Attorney General 11-7-83)

\_\_\_\_\_  \_\_\_\_\_

Director

Office of Enforcement Operations

Date: MAY 13 1991

DL 194B-DL-57543

JWM/al

1

On [redacted], [redacted] telephonically contacted  
SA [redacted] and provided the following information:

b6  
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b7D

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[redacted] contacted Special Agent (SA) [redacted]  
[redacted] on [redacted] provided the following  
information:

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[redacted] stated that [redacted]

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On [redacted] telephonically contacted  
SA [redacted] to advise that [redacted]

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b7C  
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DL 194B-DL-57543

2

[redacted] stated that [redacted]  
[redacted]

On [redacted] contacted SA [redacted]  
[redacted] to advise that [redacted]  
[redacted]

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FBI

## TRANSMIT VIA:

☒ Teletype  
☐ Facsimile  
☐ \_\_\_\_\_

## PRECEDENCE:

☒ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☒ UNCLAS

Date

5.20.91

A  
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1 FM FBI DALLAS (194B-DL-57543)

2 TO DIRECTOR FBI/PRIORITY/

3 FBI ATLANTA/IMMEDIATE/

4 FBI CHICAGO/IMMEDIATE/

5 BT

6 UNCLAS

7 CITE: //3190:SQUAD 8//

8 PASS: FBIHQ: PUBLIC CORRUPTION UNIT; CG: SSA [REDACTED]

9 [REDACTED]

10  
 11 SUBJECT: DONALD STEPHENS, MAYOR ROSEMONT, IL; ET AL; CPO - LOCAL  
 12 LEVEL; HOBBS ACT; ITAR - BRIBERY; RICO; OO: DALLAS.

13 RE DL TELETYPE TO DIRECTOR APRIL 18, 1991; 5/20/91 TELECAL  
 14 BETWEEN SA [REDACTED] DL AND SSA [REDACTED] AT.

15 ON [REDACTED] DL SOURCE [REDACTED] REPORTED THAT [REDACTED]  
 16 [REDACTED]

17  
 18 1. Dallas  
 19 Turn/LLS  
 20 (17)  
 21

CENT

Approved: MRT/AS

Transmitted \_\_\_\_\_

(Number)

(Time)

Per nam

MRI - 978

TSN - 003

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accepted - 1626 #

FBI/DOJ

Serialize ①Index ②File ③

Search \_\_\_\_\_

194B-DL-57543-15

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FBI

## TRANSMIT VIA:

- ☐ Teletype  
☐ Facsimile  
☐ \_\_\_\_\_

## PRECEDENCE:

- ☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

- ☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☐ UNCLAS

Date \_\_\_\_\_

1 ^PAGE THREE DL 194B-DL-57543 UNCLAS  
2  
3b6  
b7C  
b7D4 TWO AGENTS FROM DL DIVISION WILL SURVEIL SUBJECT [ ] TO  
5 ATLANTA. SAC'S DL AND AT CONCUR WITH TRAVEL.  
67 ATLANTA DIVISION AT ATLANTA, GEORGIA: PROVIDE NECESSARY  
8 AGENTS TO ASSIST IN SURVEILLANCE OF SUBJECTS IN ATLANTA ON  
9 5/21/91 AND 5/22/91. DL WILL TELEPHONICALLY CONTACT ATLANTA WITH  
10 DETAILS OF SUBJECT TRAVEL PLANS AS SOON AS THESE PLANS ARE  
11 AVAILABLE.  
1213 CHICAGO DIVISION AT ROSEMONT, ILLINOIS: REVIEW FILES ON  
14 SUBJECT STEPHENS IN ATTEMPT TO IDENTIFY CHICAGO REPRESENTATIVES.  
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Approved: \_\_\_\_\_ Transmitted \_\_\_\_\_ Per \_\_\_\_\_  
(Number) (Time)

FBI

## TRANSMIT VIA:

☒ Teletype  
☐ Facsimile  
☐ \_\_\_\_\_

## PRECEDENCE:

☐ Immediate  
☒ Priority  
☐ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☒ UNCLAS

Date 5-21-91

B

LVU002D.141

FM FBI DALLAS (194B-DL-57543) (SQ. 8) (P)

TO DIRECTOR FBI/PRIORITY/

FBI ATLANTA/PRIORITY/

FBI CHICAGO/PRIORITY/

BT

UNCLAS

CITE: //3190:SQUAD 8//

PASS: FBIHQ: PUBLIC CORRUPTION UNIT; CG: SSA [REDACTED]

AT: SA [REDACTED]

SUBJECT: DONALD STEPHENS, MAYOR, ROSEMONT, ILLINOIS; ET AL; CPO-  
 LOCAL LEVEL; HOBBS ACT; ITAR - BRIBERY; RICO; OO: DALLAS.

RE DALLAS TELETYPE TO DIRECTOR, DATED MAY 20, 1991.

ON THE EVENING OF [REDACTED] SOURCE [REDACTED]

CONTACTED THE DALLAS OFFICE OF THE FBI AND ADVISED THAT [REDACTED]

[REDACTED]

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SENT

1-DL  
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Approved: [Signature]

Transmitted

(Number)

(Time)

Per [Signature]

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194B-DL-57543-16

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FBI

## TRANSMIT VIA:

- ☐ Teletype  
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## PRECEDENCE:

- ☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

- ☐ TOP SECRET  
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☐ UNCLAS E F T O  
☐ UNCLAS

Date \_\_\_\_\_

1  
2 ^PAGE TWO DL 194B-DL-57543 UNCLAS [REDACTED]  
3 [REDACTED]  
4 [REDACTED]5 DALLAS SOURCE WILL RECONTACT DALLAS FBI AFTER OBTAINING FIRM  
6 [REDACTED]7 ATLANTA DIVISION AT ATLANTA, GEORGIA, WILL DISCONTINUE ANY  
8 ATTEMPT TO SURVEIL SUBJECTS CONCERNING DALLAS TELETYPE OF MAY 20,  
9 1991.  
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AIRTEL

## Federal Bureau of Investigation

From: SAC, DALLAS (194B-DL-57543)

Date: 5/22/91

To: DIRECTOR, FBI  
Attn: ELSUR IndexSubject: DONALD STEPHENS - Mayor,  
Rosemont, Ill.;  
ET AL;  
CPO-LOCAL LEVEL; HOBBS ACT;  
ITAR-BRIBERY; RICO;  
OO: DALLAS

☒ Emergency Authority. Re Dallas FD-759 to FBIHQ dated 4/15/91  
captioned as above.  
☐ Routine Authority. Re \_\_\_\_\_ to FBIHQ  
dated \_\_\_\_\_ and Bu \_\_\_\_\_ to \_\_\_\_\_  
dated \_\_\_\_\_ captioned as above.

NOTE: If no confirming communication received from FBIHQ in response to  
your request for routine use of a nontelephonic consensual monitoring device, mark below:

☐ No confirming communication received from FBIHQ to date.

The following information relates to the use of the equipment:

☒ Its use provided information which corroborated or assisted in  
corroborating the allegation or suspicion.  
☐ It was used, but no information of value was obtained.  
☐ It was not used.  
(Only one of the above applies)

Complete and submit within 30 days of expiration of each and every period  
of authorization granted for nontelephonic consensual monitoring by either the SAC, DOJ or  
FBIHQ-CID (whether an initial or a subsequent authorization), and for each extension  
or renewal thereof.

Transmit to FBIHQ in a sealed brown envelope labeled "Director, FBI, ELSUR  
Index, FBIHQ."

2 - Bureau  
3 - Dallas (2 - 194B-DL-57543)  
JWM/rlh (1 - 66-1806)  
Serialize (5) *rlh*  
Index \_\_\_\_\_  
File \_\_\_\_\_  
Search \_\_\_\_\_

*NR*b6  
b7c

194B-DL-57543-17

Memorandum

REQUEST OF S.O.G.



To : SAC, DALLAS (66I-2017 SUB C)

Date 5/21/91

From : SA [REDACTED]

Subject: [REDACTED]

ET AL  
LOP- LOCAL LEVEL  
Service request:

(☒) Surveillance  
( ) Aerial Photos  
( ) Other

Request: ( ) Priority (☒) Urgent ( ) Routine

Subject of Surveillance: [REDACTED]

Description: \_\_\_\_\_ Address: \_\_\_\_\_

Cars: \_\_\_\_\_ Other info: \_\_\_\_\_

Provide synopsis of case, hours of requested surveillance,  
anticipated accomplishments: ATTEMPT TO IDENTIFY SUBJECTS  
AUTOMOBILES AND I.D. HARD  
PHYSICAL SURVEILLANCE

Please attach any additional Info (memos, airtels, photos, etc.)  
that will assist the SOG.

Case Agent ext. 459 Case Agent beeper # 269-8652

Administrative only: Case Supervisor's Approval

- 1 - 66I-2017 SUB C  
1 - Coordinator (Surveillance/Aviation)  
(2) - Case File (194B-DL-57543)

SOG # 91-28  
194B-DL-57543-18  
[Stamp: SEARCHED, SERIALIZED, INDEXED, FILED]  
MAY 22 1991  
FBI - DALLAS  
[Signature]

DALLAS SOG COVER PAGE

Subject: \_\_\_\_\_

File #: \_\_\_\_\_

194B-DL-57543.

b6  
b7C

Location: \_\_\_\_\_

Day/Date: \_\_\_\_\_

FRI 5/24/91

SHIFT: \_\_\_\_\_

7A-3P

Log SA: \_\_\_\_\_

CASE AGENT: \_\_\_\_\_

SA's: \_\_\_\_\_

Mobile Surv: \_\_\_\_\_

NO MOVEMENT: \_\_\_\_\_

SPOT CHECKS: \_\_\_\_\_

PLACE: \_\_\_\_\_

TIMES: \_\_\_\_\_

PLACE \_\_\_\_\_

TIMES: \_\_\_\_\_

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TIMES: \_\_\_\_\_

PLACE \_\_\_\_\_

TIMES: \_\_\_\_\_

PHOTOS TAKEN: \_\_\_\_\_

TAGS OBSERVED: \_\_\_\_\_

TXDHT12H

b6  
b7C

Comments:

Registration of TX DHT 12H is as follows:

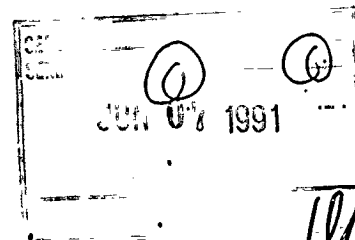
'90 Cadillac 4dr.

Cumy AUTO LEASING INC. 5310

5422 Alpha Road

Dallas, TX.

194B-DL-57543-19



M

W

Date 5/24/91ACTIVITY/SURVEILLANCE LOG

Activity or Surveillance regarding \_\_\_\_\_

Instituted at \_\_\_\_\_

Dallas, TX.

Conducted by SA's \_\_\_\_\_

b6  
b7C

Initials	Time	ACTIVITY
<del>MS</del> B	6 <sup>20</sup> / <sub>A</sub>	Surveillance initiated in the vicinity of _____ Dallas, TX.
<del>MS</del> <del>SA</del>	6 <sup>32</sup> / <sub>A</sub>	Surveillance initiated at _____ Dallas, TX, where the following vehicles are observed parked in the driveway: a Black Mercedes _____ a Gray Cadillac TXLP _____, and a Gray Suburban, tag unknown.
<del>MS</del> <del>SA</del> DSA AS.	6 <sup>40</sup> / <sub>A</sub>	Surveillance initiated in the vicinity of _____ Dallas, TX.
<del>MS</del> <del>SA</del>	7 <sup>30</sup> / <sub>A</sub>	An unknown W/F <sup>#1</sup> wearing a long white T-shirt and carrying a white leather beach bag exits _____ followed by a dog.
<del>MS</del> <del>SA</del>	7 <sup>31</sup> / <sub>A</sub>	The W/F <sup>#1</sup> returns to _____, followed by an unknown individual wearing a white shirt and black shorts.
<del>MS</del> DSA AS.	8 <sup>16</sup> / <sub>A</sub>	A gray Cadillac 4 door departs from the underground parking garage at _____; the same gray Cadillac 4 door TXLP DHT 12H, arrives at the "ONE STOP" Food store at 3128 McKinney.
B.	8 <sup>17</sup> / <sub>A</sub>	An unknown W/M <sup>#1</sup> , in his mid 30's, wearing tan slacks, a tan shirt with red vertical stripes, with

b6  
b7C

(SURVEILLANCE LOG CON'T)

DATE: 5/24/91 PAGE: 2. FILE #: 194B-DL-57543

INITIAL	TIME	ACTIVITY
		dark colored hair, cut short, exits the gray Cadillac and enters the "ONE STOP" Food Store.
IN B3.	8 <sup>19</sup> / <sub>A</sub>	W/M #1 returns to the gray Cadillac from the "ONE STOP" Food Store, carrying a tan paper bag and what appeared to be a cup of coffee. W/M #1 enters the gray Cadillac and departs. (photos attempted)
✓ IN	8 <sup>23</sup> / <sub>A</sub>	The gray Cadillac TXLP DHT12H is observed arriving at 3102 Oak Lawn Avenue (The Centrum building) and then proceeding to the underground parking garage off of Welborn Street.
IN	8 <sup>24</sup> / <sub>A</sub>	W/F #1, wearing black slacks, white shirt and a red vest, with blonde hair is observed moving the Black Mercedes [redacted] from the driveway of [redacted] on to the street. W/F #1 then entered the gray Cadillac [redacted] and departed. The tag on the gray Chev. Suburban, not previously observed, is now observed to be [redacted]
IN	8 <sup>33</sup> / <sub>A</sub>	An unknown W/M #2, wearing a white long sleeve dress shirt, dark gray trousers, tall with a slender build, in his mid to late 30's, carrying a brown attache case, enters the Black Mercedes [redacted] and departs. From [redacted]
b6 b7C		
IN	8 <sup>39</sup> / <sub>A</sub>	The Black Mercedes [redacted] arrives at the Douglas Plaza, 8226 Douglas Ave, Dallas, TX, and proceeds to park in the covered parking area.
IN	8 <sup>50</sup> / <sub>A</sub>	Surveillance discontinued at the Douglas Plaza.

(SURVEILLANCE LOG CON'T)

DATE: 5/24/91

PAGE: 3

FILE #: 194B-DL-57543

[illegible]

FBI

## TRANSMIT VIA:

☐ Teletype  
☐ Facsimile  
☒ AIRTEL

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☐ UNCLAS

Date 5/30/91

1 TO : SAC, DALLAS (194B-DL-57543) (P)

2 FROM : SAC, CHICAGO (NRA/SQ.13) (P)

3 SUBJECT : DONALD STEPHENS, MAYOR ROSEMONT, IL.;

4 IL.;

5  
6  
7  
8 CPO-LOCAL LEVEL; HOBBS ACT; ITAR-BRIBERY; RICO;  
9 OO: DALLAS

10 Re teletypes to Bureau and Chicago dated 4/18/91  
11 and 5/20/91.

12 Enclosed for Dallas are two (2) Chicago TRIBUNE  
13 articles dated 5/27/90 and 5/15/91.

14 For information of Dallas, Chicago has enclosed  
15 newspaper articles from the Chicago TRIBUNE, issues dated  
16 5/27/90 and 5/15/90. For purposes of background information,  
17 the article entitled "Rosemont Mayor, Kin Strike It Rich"  
18 dated 5/27/90, is factual, accurate and in general, a succinct  
19 synopsis of DONALD STEPHENS and his families association with  
20 the Village of Rosemont over the years. It further details  
21 his political positions and his growing political powerbase in  
the state of Illinois.

2-Dallas (encs.)  
 2-Chicago  
 TLB/kac  
 (4)

194B-DL-57543-20

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Read at Rotor without encls.

W/encs

6/26/91

Approved: [Signature]

Transmitted

(Number) (Time)

Per

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b7Cb6  
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194B-DL-57543

STEPHENS, since becoming mayor in 1956, has set-up a vast patronage system in Rosemont with all benefits progressing to the top echelon of Rosemont government officials, i.e. the STEPHENS family. It has even been rumored that STEPHENS reaps a one-dollar a nite payoff from every room rented in Rosemont every night.

Over time, STEPHENS has developed a taste for associating with the fringes of the Chicago mob. He also is thought to envision the River Road corridor of Rosemont with its glittery hotels as a small Las Vegas strip.

Chicago at this time is continuing with leads set out by Dallas in referenced airtels. Results will be forth coming.



FBI

3

## TRANSMIT VIA:

☒ Teletype  
☐ Facsimile  
☐ AIRTEL

## PRECEDENCE:

☒ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☒ UNCLAS

Date 6/25/91

FM FBI DALLAS (194B-DL-57543) (SQ 8) (P)

TO FBI CHICAGO/IMMEDIATE/

BT

UNCLAS

CITE: //3190:SQUAD 8 //

PASS: CG: SA [REDACTED]

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b7C

SUBJECT: DONALD STEPHENS, MAYOR, ROSEMONT, ILLINOIS; ET AL;

CPO - LOCAL LEVEL; HOBBS ACT; ITAR - BRIBERY; RICO; OO:

DALLAS.

RE SA [REDACTED] DALLAS DIVISION, TELCAL TO SA

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[REDACTED] CHICAGO DIVISION, 6/25/91.

ON [REDACTED] DALLAS SOURCE, [REDACTED] ADVISED THAT

b6  
b7C  
b7DApproved: [Signature]Original filename: LK1000177Time Received: [Signature]Telprep filename: LVI 001507MRI/JULIAN DATE: 30/177ISN: 007FOX DATE & TIME OF ACCEPTANCE: 0030

194B-DL-57543-21

^PAGE 2 194B-DL-57543 UNCLAS

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b7C  
b7D

ON 6/25/91, DELTA AIRLINES ADVISED THAT [ ] AND

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b7C

[ ] HAVE RESERVATIONS ON DELTA FLIGHT 124  
SCHEDULED TO LEAVE DALLAS 1:00 P.M., ARRIVE CHICAGO O'HARE  
AIRPORT 3:14 P.M. [ ] IS SCHEDULED TO RETURN TO DALLAS ON  
6/30/91.

SA'S [ ] WILL ACCOMPANY  
SUBJECT [ ] TO CHICAGO. UPON PHYSICAL SURVEILLANCE OF  
SUBJECT [ ] ON 6/26/91, DALLAS AGENTS WILL TELEPHONICALLY  
CONTACT SOG CHICAGO UNITS TO PROVIDE DESCRIPTIONS.

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CHICAGO DIVISION AT CHICAGO, ILLINOIS, WILL PROVIDE  
NECESSARY UNITS TO PROVIDE SURVEILLANCE COVERAGE. CHICAGO  
WILL CONTACT SSA [ ], DALLAS (FTS 731-7475;  
COMMERCIAL 214/720-2200; BEEPER 817/499-4554) MORNING OF  
6/26/91 TO COORDINATE SURVEILLANCE OF SUBJECTS.

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BT .

DATA CONFIRMATION REPORT

PAGE 01

FBI DALLAS

DATE TIME

TO FROM

MODE

MIN SEC PGS

STATUS

01 5 24 09:28

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01 39

03

OK

Chicago Tribune

(Indicate page, name of newspaper, city and state.)

(Mount Clipping in Space Below)

# Rosemont mayor, kin strike it rich

By Ray Gibson

In 1956, Donald Stephens was a struggling insurance salesman who helped incorporate a tiny northwest suburb as a way of trying to block Chicago's annexation of O'Hare International Airport.

The legal tactic didn't succeed, but Rosemont did, and so did Donald Stephens.

Incorporated on what was a truck farm, the tiny suburb has expanded over swamps and garbage dumps, increasing in population from 84 people to 4,500 residents. Today there are more motel rooms—6,000 plus—than residents in the 2½ square miles of land that make up the village limits.

Stephens has been successful himself, amassing one of the world's largest collections of Hummel figurines, more than a dozen antique cars and boats, homes in Rosemont and unincorporated Des Plaines, and four houses on Wisconsin's Lake Delavan worth more than \$700,000, according to land records. For years, he owned the now defunct Caravelle Motel there.

Stephens has been the town's only mayor and has virtually run the village as his personal fiefdom.

"Stephens runs the village as a business for the benefit of the people of the village," said Village Atty. Peter Rosenthal.

Those who reaped the benefits include his relatives and business partners.

In the past several years, four firms owned by Stephens' relatives have received millions of dollars in business deals without competitive bids, according to state and village records.

In addition, three firms owned by Stephens' business partners have received village work, including construction contracts worth at least \$18 million to expand the Rosemont Exposition Center, according to the records.

As the village boomed, Stephens became a suburban political power. He is a friend of Gov. James Thompson, is the Republican township committeeman in Leyden Township, and in April was briefly a candidate for the chairmanship of the embattled Cook County Republican Organization.

But with success has come controversy.

"I'm probably the most investigated S.O.B. in the world," Stephens once acknowledged. He has been poked and prodded by the U.S. attorney's office, the Federal Bureau of Investigation, the Cook County state's attorney and the

See Rosemont, no. 16

Date: 5-27-90  
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24

194-317-205

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11405

# Rosemont

Continued from page 1

Illinois Liquor Control Commission. The Internal Revenue Service has audited his tax returns annually.

He was indicted twice on federal tax and fraud charges, and acquitted both times.

Some of his image problems stemmed from his purchase of the Caravelle when it was called the Thunderbolt Hotel from the nephew of Chicago mobster Sam Giancana.

The village's failure to adhere to state law in the bidding of public works projects had been the subject of criticism since 1977, and Stephens has routinely used village vendors to make repairs and renovations on homes he owns.

Stephens' most proud accomplishments have been the construction of the Rosemont Exposition Center, a giant trade show center, and the Horizon, the village-run sports stadium.

Village records show that the Expo Center and the Horizon have been the source of millions of dollars in business for his relatives and business partners.

Six of the seven firms provide trade-show and convention services ranging from telephones to cleaning, for the village or the more than 1.25 million visitors and exhibitors who visit the expo center annually.

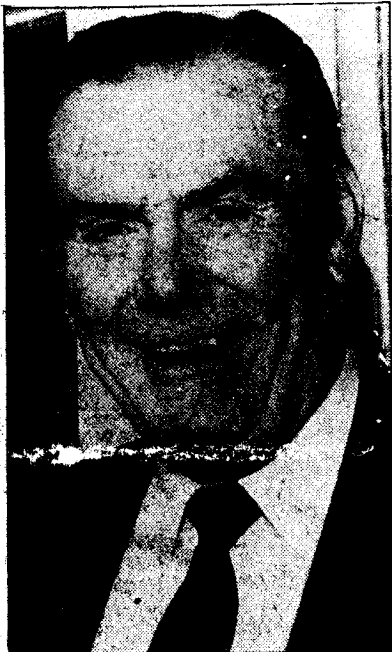
The seventh, Degen & Rosato, a construction firm owned by Ray Rosato and Issac Degen, has been designated as the manager overseeing the expansion of the complex and the building of walkways that link it with nearby hotels. It was paid \$18.2 million in 1987 and 1988 for various projects, including the expansion and walkways.

The \$28 million center is one of the largest in the nation and has a virtual stranglehold on the convention and trade-show business in the suburbs. Village officials estimate it pumps \$214 million a year into the area's economy.

Rosenthal insists that none of the business deals violates state law. Four of the firms received contracts with the village without competitive bidding, but he said state law does not require the village to seek competitive bids.

Two other firms are subcontractors to the company that the village hires to provide decorating, setup, and other services to the convention center.

Rosenthal said the Village Board was fully advised of Stephens fam-



Donald Stephens

ily members' financial interests in the firms. Board members also were informed that three attorneys who do legal work for the village have financial interests in some of the firms, he said.

"There is nothing improper or illegal about the Stephens family's involvement in these contracts," Rosenthal said.

Democrats in the Illinois General Assembly said they expect the village to seek passage of a bill later this year that would generate \$10 million in state funds to expand the giant complex. A similar funding bill was defeated in January.

Strategically positioned at the edge of the Midwest's largest transportation hub—O'Hare International Airport—the onetime sleepy suburb has expanded with the construction of the exposition center and the Horizon stadium into a major commercial center.

Among the firms in which the Stephens clan has had an interest is Rosemont Exposition Services. The firm has an exclusive contract to provide installation of electrical wiring and setup services to exhibitors at the expo center. Trade show experts say that it is one of the few such arrangements in the country.

In 1989, the village received \$1.3 million from the firm, under a contract that stipulates a percentage of the net profits must revert to the village, Rosenthal said. That amount means the firm made at least \$500,000 after paying Rose-

mont.

Rosemont Services once was owned by Michael P. Hogan, the son of William Hogan Sr., who is the head of Local 714 of the Teamsters Union. For the trade show jobs, Michael Hogan's companies hired workers from his father's union.

In 1985, court records show that Michael Hogan dissolved the firm and sold its assets to a new corporation. The new corporation used the same name—Rosemont Exposition Services—and Hogan retained a 20 percent interest in the new firm, according to court documents.

Although the firm's contract with the village states that such a sale was not allowed, Rosenthal said that the firm was simply restructured with new investors. He declined to disclose the identities of the new investors.

By 1988, state records showed the firm's officers and directors included Stephens' son, Mark, and the lawyer who acts as the village's prosecutor, Donald J. Storino.

Storino's law firm and Bomark Cleaning Services Inc., a company partly owned by Mark Stephens, occupy office space in the penthouse atop the Rosemont Village Hall. Rosenthal said the law firm and the cleaning business pay rent but declined to divulge amounts, saying it was confidential.

Last year, the village renegotiated the expo center contract with another firm, O'Hare Exposition Services. That firm has since changed its name to Rosemont Exposition Services and its principals include Storino, but not Mark Stephens, Rosenthal said. The other firm known as Rosemont Exposition Services has since changed its name.

Efforts to reach Storino or Mark Stephens for comment were unsuccessful.

Another Michael Hogan business was O'Hare Expo Maintenance Inc. In 1984, Hogan lost its cleaning contract and Bomark took its place, according to village and court records. Efforts to reach Michael and William Hogan for comment were unsuccessful.

Bomark is owned by Mark Stephens, who also served as the former campaign treasurer of the local political party that has backed his father, and Nicholas S. Boscarino, according to state records. Efforts to reach both men were unsuccessful. Boscarino is an official of Skybox Inc., a firm that leases a sports bar from the village

Continued on following page

(Indicate page, name of newspaper, city and state.)

(Mount Clipping in Space Below)

# Rosemont

Continued from preceding page

located in the Village Hall.

Village records show that in 1988, Bomark received \$1.4 million worth of village business for cleaning the center and handling cleaning at the Horizon under another contract. Rosenthal said the company also handles parking at the Horizon under a verbal arrangement with the village.

Bomark's agreement with the village contains language prohibiting the assignment of the contract to another firm.

But according to court records, the firm's superintendent of maintenance has testified at a deposition that, in 1987, Bomark had farmed out the cleaning of the expo center to a temporary employment service that used day laborers. That company is now defunct.

The testimony was given in a deposition as part of a lawsuit filed on behalf of Janice Rippy, a Florida woman who sued, claiming she was hurt when she tripped over a vacuum cleaner cord at a trade show in 1987.

Rosenthal said that the use of day laborers "was an accepted practice and it did not violate" the firm's agreement.

●●●

Mayor Stephens' daughter-in-law, Catherine Stephens, is a part-owner of two firms with business at the expo center—O'Hare Tele-Communications Inc. and Professional Signs Inc. Her husband, Donald Stephens II, is Rosemont deputy mayor.

Under the O'Hare Tele-Communications contract, which dates to 1983, the village receives \$5,000 annually and in return grants the company the exclusive right to provide telephone service to exhibitors.

Lydia Freeman is also an officer and director of the corporation, according to state records. Her husband, James A. Freeman, has been the expo center's executive director for the last 14 years and incorporated the firm in 1983.

James Freeman said he was instructed by the Village Board to refer all questions about the firm to Rosenthal.

Rosenthal defended the contract by saying the village had been able to turn a \$1.8 million annual profit on the center by turning over work to such private firms, cutting village costs and overhead. He said the center is the only one of its type to make a profit.

Exhibitors at a recent trade show said they were billed about \$100 for each phone installed by the firm. Business records show that the firm has had in excess of \$400,000 in annual gross sales.

A spokesman for McCormick Place, Chicago's convention center, said the center itself owns the phone system, and its \$150 telephone charge per phone goes to pay for the phone system installed at the center.

Freeman's wife, Lydia, refused to discuss her ownership of O'Hare Tele-Communications, saying it was a "private matter." Catherine Stephens did not return phone calls.

The two women also own stock in Professional Signs, which provides temporary signs and posters to exhibitors at the center. Lydia Freeman said she owned 50 percent of the company's stock.

Date:  
Edition:

Title:

Character:  
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Classification:  
Submitting Office:

Indexing:

(Indicate page, name of newspaper, city and state.)

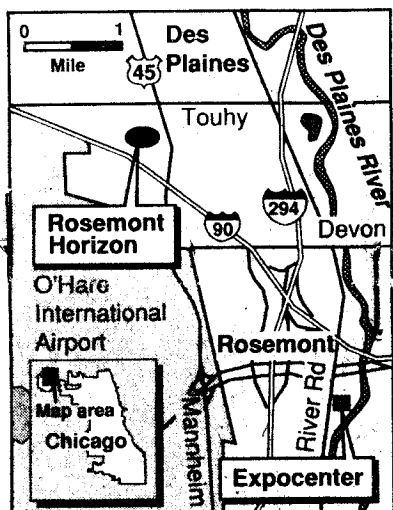
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Date:  
Edition:

Title:

Character:  
or  
Classification:  
Submitting Office:

Indexing:



Chicago Tribune Map

This company was originally formed by Michael Hogan, according to state and court records. Court documents filed by Hogan said he owned 50 percent of the company's stock, which he valued at \$20,000. Lydia Freeman, asked how she acquired her stock in the firm, said, "I am not really sure."

James Freeman was among several Rosemont officials who recently testified at state hearings urging state officials not to release \$20 million for a competing convention center that Schaumburg officials are trying to build there.

State records show James Freeman was an officer and director of the firm along with Hogan until 1988.

Rosenthal said the sign company has no contracts with the village, and it is a subcontractor to Rosemont Exposition Services. Any revenues the company makes from

(Indicate page, name of newspaper, city and state.)

(Mount Clipping in Space Below)

Date:  
Edition:

Title:



Tribune photo by José Moré

The Scores 'N More Bar & Grill at 9501 W. Devon Ave. is located in the Rosemont Village Hall.

the sale of signs partly accrues to the village under the agreement with Rosemont Exposition Services, he said.

●●●

Mayor Stephens' former business partners, Rosato and Degen, owned interests in several corporations that are involved with the center.

In 1984, Stephens was acquitted of failing to report \$82,000 on his 1976 and 1977 income taxes. A year later, Stephens, Rosato and Degen were indicted on mail fraud

charges.

The three were accused of fraud arising from two real estate transactions in which Stephens was paid \$87,100 and was given a secret ownership in a parcel of real estate, according to federal prosecutors. In 1985, a jury acquitted all three of the charges.

In addition to the \$18.2 million in construction work Degen & Rosato received, the two men are also principals in Rosemont Catering Co., which is the exclusive provider of food services, al-

coholic beverages, and catering at the expo center.

The company's 1982 contract requires the firm to pay 35 percent of the food and beverage concession revenue to the village. According to Rosenthal, the firm paid the village \$738,000 in 1989.

In addition, the firm also now runs a large cafeteria opened this year in the expo center. Rosenthal said the catering company operates the cafeteria under its existing village contract.

The village's condemnation at-



(Indicate page, name of  
newspaper, city and state.)

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torneys, William Ryan and the late Thomas Burke, also served as directors and officers of the firm, according to state records.

Ryan refused to return repeated phone calls about his involvement in the catering company. Rosenthal said the two attorneys played no role in reviewing the contract to Rosemont Catering.

According to court records, another firm controlled by Degen & Rosato, called Expo Carpenters Inc., is a subcontractor for Rosemont Exposition Services. In the settlement of a 1988 federal lawsuit, the firm paid \$190,000 to a Redmond, Wash., man who claimed Expo Carpenters and Rosemont Exposition Services were at fault when two employees dropped a conveying belt on his head while setting up an exhibit for a trade show at the center.

Cook County Building Department records show the construction company was the general contractor that completed a \$33,000 renovation on a home Mayor Stephens owned in nearby unincorporated Des Plaines. The electrical work at the house was done by Gurtz Electric Co. of Chicago, a firm that received \$1 million in payment from the village in 1987 and 1988. A spokesman for the firm declined comment.

The former 1st National Bank of Schiller Park, which was also doing business with the village, sold Stephens the home for slightly less than it had paid at a sheriff's sale, land records show. The bank also lent the mayor \$440,000 over the years for acquisition and development of property the mayor owns in Wisconsin.

Date:  
Edition:

Title:

Character:  
or  
Classification:  
Submitting Office:

Indexing:

FBI

## TRANSMIT VIA:

☐ Teletype  
☐ Facsimile  
☒ AIRTEL

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☐ UNCLAS

Date 7/9/91

1 TO : SAC, DALLAS (194B-DL-57543) (RUC)  
2 FROM : SAC, ATLANTA (194B-DL-57543)  
3 SUBJECT : DONALD STEPHENS, MAYOR,  
4 ROSEMONT, ILLINOIS;  
5 ET AL;  
6 CPO - LOCAL LEVEL;  
7 HOBBS ACT;  
8 ITAR - BRIBERY;  
9 RICO;  
10 OO: DALLAS

11 Reference Dallas teletype to the Bureau dated  
12 5/20/91.

13 Referenced teletype notified Atlanta and other  
14 receiving offices of a possible meeting to occur between  
15 subjects in the captioned matter. Telephone calls to and from  
16 Dallas immediately following this teletype referenced delay of  
17 travel plans of subjects, to occur at a later date. Atlanta had  
18 been tasked to provide necessary agents to assist in  
19 surveillance of subjects in Atlanta when these meetings  
20 occurred. Atlanta will be placing this matter in an RUC status  
21 pending notification by Dallas Division of a future meeting date  
to occur. Contact point in Atlanta for this matter will be  
Special Agents (SA) [REDACTED] Squad  
10.

2 - Dallas  
1 - Atlanta  
MHR:rwh  
(3)

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Approved: [Signature]

Transmitted

(Number) (Time)

Per

194B-DL-57543-25

SEARCHED	INDEXED
SERIALIZED	FILED
JUL 18 1991	
FBI - DALLAS	

[Signature]

# Memorandum



To : Office of Enforcement Operations  
Criminal Division

Date July 1, 1991

WSS/38 From : Director, FBI

Subject : DONALD STEPHENS - MAYOR ROSEMONT, IL; ET AL; CORRUPTION OF  
STATE AND LOCAL PUBLIC OFFICIALS - LOCAL LEVEL; ET AL

## ACTION MEMORANDUM

Enclosed is a copy of a communication which furnishes information concerning a current investigation.

Pursuant to the Attorney General's Memorandum of November 7, 1983, captioned "Procedures for Lawful, Warrantless Interceptions of Verbal Communications," addressed to the Heads and Inspectors General of Executive Department and Agencies, the following notification/request is being made relative to the authorization to utilize an electronic device to monitor and record private non-telephonic conversations with the consent of a party.

Pursuant to the Attorney General's Order Number 985-82, dated August 6, 1982, captioned "Delegation of Authority to Authorize Television Surveillance," the following notification/request is being made relative to the authorization to utilize Closed Circuit Television (CCTV) surveillance in connection with captioned matter.

1. Emergency authority to utilize an electronic device to record private non-telephonic conversations with the consent of a party was granted by an appropriate FBI official on [redacted] for 30 days ending [redacted]. Exigent circumstance precluded a request for authorization in advance.
2. Emergency authorization to utilize CCTV surveillance in connection with captioned matter was granted by an appropriate FBI official on [redacted] for 30 days ending [redacted]. Exigent circumstances precluded a request for authorization in advance.

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94B-DL-554326

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[redacted]

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Memorandum from Director, FBI to Office of Enforcement Operations  
RE: DONALD STEPHENS - MAYOR ROSEMONT, IL; ET AL; CORRUPTION OF  
STATE AND LOCAL PUBLIC OFFICIALS - LOCAL LEVEL; ET AL

- \_\_\_\_ 3. As further utilization of an electronic device to monitor and record private non-telephonic conversations with the consent of a party is expected in this matter, it is requested that you approve the use of this equipment for a period of \_\_\_\_ days beginning \_\_\_\_\_.
- \_\_\_\_ 4. As further utilization of CCTV is expected in this matter, it is requested that your office approve the use of this equipment for a period of \_\_\_\_ days beginning \_\_\_\_\_.
- \_\_\_\_ 5. Non-emergency authorization is requested for the utilization of an electronic device to monitor and record private non-telephonic conversations with the consent of a party for a period of \_\_\_\_ days beginning \_\_\_\_\_.
- \_\_\_\_ 6. Non-emergency authorization is requested for the utilization of CCTV surveillance for a period of \_\_\_\_ days beginning \_\_\_\_\_.

The use of these electronic devices in this case is being recommended in the best interest of effective law enforcement in that they are expected to provide corroborative evidence and/or protect the individual(s) utilizing the equipment.

The use of CCTV will not involve any trespass and it will be utilized only when a consenting party is present. The CCTV will be under care, custody and control of the FBI.

Enclosure

Approved:

(Pursuant to the Authority of the  
Attorney General 11-7-83)



Associate Director  
Office of Enforcement Operations

- 2\* Date: JUL 2 1991

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b7C

TRANSMIT VIA: AIRTEL

CLASSIFICATION: \_\_\_\_\_

DATE: 7/11/91

FROM: Director, FBI (194-10731)

TO: SAC, Dallas (194B-DL-57543)

DONALD STEPHENS - MAYOR ROSEMONT, ILLINOIS; ET AL; CORRUPTION OF  
STATE AND LOCAL PUBLIC OFFICIALS - LOCAL LEVEL; HOBBS ACT; ITAR -  
BRIBERY; RICO; OO: DALLAS

Reference Dallas's FD-759 to FBIHQ.

Enclosed are two copies of a memorandum from the  
Director to the Office of Enforcement Operations (OEO), Criminal  
Division, U.S. Department of Justice, upon which OEO was apprised  
of the use of a transmitting and/or recording device, which  
authorization was granted by the SAC due to exigent circumstances.  
This authority is for a 30-day period commencing [ ] and ending  
[ ]

b7D

You are to submit an FD-621 within 30 days of the  
expiration of this authorization furnishing information regarding  
use of the equipment in accordance with MIOG, Part II, Section 10-  
10.3(9).

In the event a renewal of this authorization is deemed  
warranted, submit your request with full justification at least  
seven days prior to the expiration of the existing authorization,  
in compliance with MIOG, Part II, Section 10-10.3(9).

Enclosure

1 - Elsur Coordinator, Dallas

*1 Submit FD-621 - done - see ser. 17. nll*  
*2 to you 7/11/91*  
*2 Authority expired 7/13/91*  
*7/18/91*

194B-DL-57543-27

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# Memorandum



To : SAC, DALLAS (194B-DL-57543)

Date 7/8/91

From : SA [REDACTED]

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b7C

Subject: TRAVEL EXPENSE  
SPECIAL OPERATIONS GROUP (SOG)

On June 26, 1991, while in performance of official duty SA [REDACTED] travelled to the Chicago area. On June 26, 27 and half of the 28th, [REDACTED] worked on captioned matter. He then took a half day annual leave on the 28th, and remained in the Chicago area for the weekend of June 29 and 30 on personal business.

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The return travel time was completed on July 1, 1991.

Per diem and expenses were claimed only for the days worked in the Chicago area.

2 - Dallas

RMH:vjc

(2) *vjc*

*mt*

194B-DL-57543-29

SEARCHED	INDEXED
SERIALIZED	FILED
JUL 24 1991	
FBI DALLAS	

[REDACTED]

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# Memorandum



To : SAC, DALLAS (194B-DL-57543)

Date 7/23/91

From : SA

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Subject : ELSUR INDEXING  
Donald STEPHENS,  
ET AL;  
CPO-LOCAL LEVEL  
OO: DL

The purpose of this memo is to advise that all necessary indexing to the ELSUR indices has been completed.

③ - Dallas ② - 194B-DL-57543  
(1 - 66-1806)

194B-DL-57543 34

SEARCHED	INDEXED
SERIALIZED	FILED
JUL 24 1991	
FBI - DALLAS	

NY

AIRTEL

## Federal Bureau of Investigation

From: SAC, DALLAS (66-1810 SUB A)Date: 7/25/91To: DIRECTOR, FBI  
Attn: ELSUR IndexSubject: DONALD STEPHENS, Mayor,  
Rosemont, Ill.; ET AL;  
Corruption of State & Local Public  
Officials - Local Level;  
Hobbs Act; ITAR-Bribery;  
RICO;  
OO: DALLAS

\_\_\_\_\_ Emergency Authority. Re \_\_\_\_\_ FD-759 to FBIHQ dated \_\_\_\_\_  
captioned as above.

X \_\_\_\_\_ Routine Authority. Re Dallas teletype to FBIHQ  
dated 5/9/91 and Bu airtel to Dallas  
dated 5/15/91 captioned as above.

NOTE: If no confirming communication received from FBIHQ in response to  
your request for routine use of a nontelephonic consensual monitoring device, mark below:

\_\_\_\_\_ No confirming communication received from FBIHQ to date.

The following information relates to the use of the equipment:

X \_\_\_\_\_ Its use provided information which corroborated or assisted in  
corroborating the allegation or suspicion.

\_\_\_\_\_ It was used, but no information of value was obtained.

\_\_\_\_\_ It was not used.

(Only one of the above applies)

Complete and submit within 30 days of expiration of each and every period  
of authorization granted for nontelephonic consensual monitoring by either the SAC, DOJ or  
FBIHQ-CID (whether an initial or a subsequent authorization), and for each extension  
or renewal thereof.

Transmit to FBIHQ in a sealed brown envelope labeled "Director, FBI, ELSUR  
Index, FBIHQ."

2- Bureau  
③- Dallas (2- 194B-DL-57543)  
JWM/r1h (1 - 66-1806)  
(5) *NR*

Serialize \_\_\_\_\_  
Index \_\_\_\_\_  
File \_\_\_\_\_  
Search \_\_\_\_\_

*NT*  
194B-DL-57543-35



194B-DL-57543

194-375  
JWM/smf

The following investigation was conducted by Special Agent (SA) [REDACTED]:

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On [REDACTED] was contacted by SA [REDACTED] and advised the following:

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[REDACTED]

194B-DL-57543 -36

SEARCHED	INDEXED
SERIALIZED	FILED
AUG 01 1991	
FBI - DALLAS	

194B-DL-57543

JWM/lcs

1

The following investigation was conducted by SA [redacted]

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On [redacted] Dallas source [redacted] contacted SA [redacted] and advised the following:

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On [redacted] SA [redacted] contacted source. Source advised that [redacted]

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194B-DL-57543

JWM/lcs

2

[Redacted]

On [Redacted] source was contacted by SA [Redacted] Source  
advised that [Redacted]

[Redacted]

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194B-DL-57543

The following investigation was conducted by SA [redacted]  
[redacted] Chicago Division, and SA [redacted] Dallas  
Division, on July 27, 1991:

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Check with Corporate Security, UNITED AIRLINES, [redacted]  
[redacted], telephone 312/952-5911, concerning the flight schedule  
of [redacted] was requested to check all incoming  
flights from Atlanta, Georgia, to Chicago, Illinois, on  
June 27 and 28, 1991. [redacted] advised that there was no  
reservations in the name of [redacted] for any flights  
leaving Atlanta for Chicago.

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Check with Corporate Security, AMERICAN AIRLINES, [redacted]  
[redacted] 312/686-4270, concerning a flight schedule of [redacted]  
[redacted] on June 28, 1991, for all AMERICAN AIRLINES flights  
originating out of Atlanta, Georgia, to Chicago/Ohare proved  
negative.

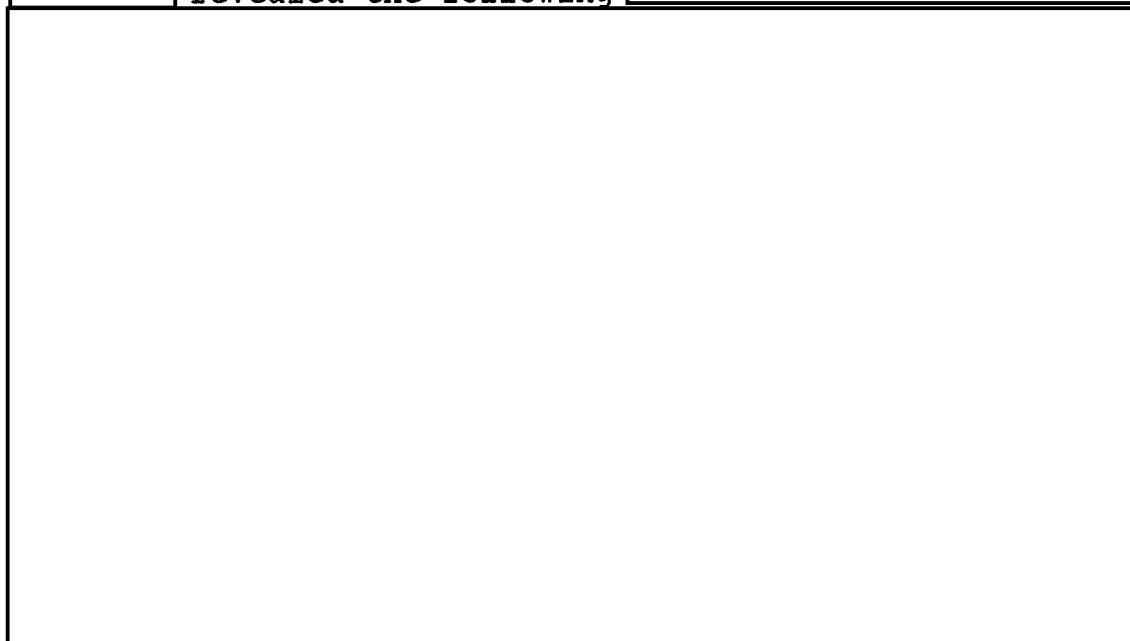
b6  
b7C

Check with Customer Service Department, DELTA AIRLINES,  
concerning flight reservations for [redacted] leaving  
Atlanta, arriving in Chicago, were also negative.

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The following [redacted]  
obtained through Federal Grand Subpoena on [redacted]  
[redacted] revealed the following [redacted]

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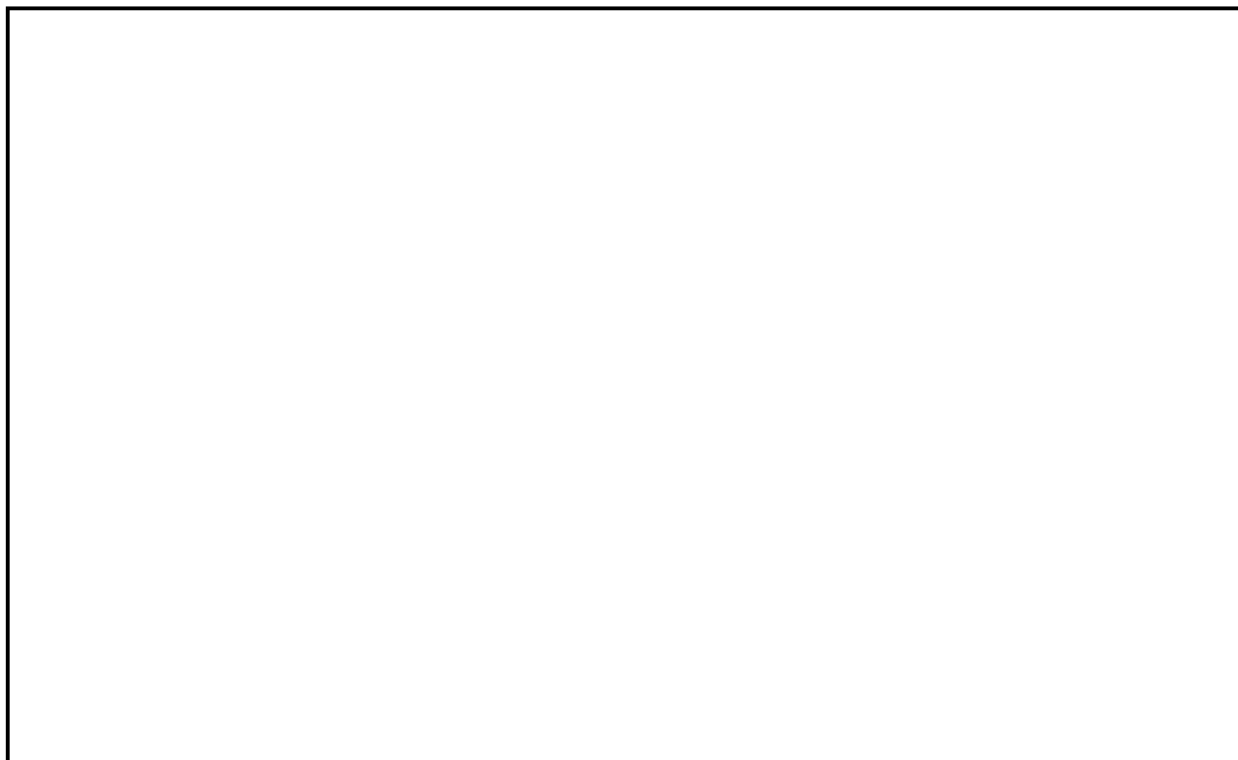


194B-DL-57543-38

SEARCHED	INDEXED
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AUG 02 1991	
FBI-DALLAS	

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194B-DL-57543



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Chicago indices check reveals that case number  
182B-4316-00SL, a [REDACTED] was indexed by the Chicago  
Office on November 21, 1986. Pretext call to PODOLSKY &  
ASSOCIATES on June 27, 1991, reveals a [REDACTED] is a  
[REDACTED]

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(Indicate page, name of newspaper, city and state.)

(Mount Clipping in Space Below)

Date: 8-22-91  
Edition: MORNINGTitle: THOMAS MERRILL RAUCCET, AKA  
ETALCharacter: FIF(13)  
or  
Classification:  
Submitting Office: DALLAS

Indexing:

# 'Dance hall' ordinance is approved

By Lori Stahl

Staff Writer of The Dallas Morning News

The City Council on Wednesday approved a six-month ban on new "dance halls" after a "semi-nude" cabaret tried to open near the West End.

Council member Lori Palmer offered a resolution calling for the moratorium on dance hall permits after learning that the Gold Club had leased space formerly occupied by the Starck Club in the Brewery building.

"It just seems that it's common sense that certain businesses just don't belong in certain areas of the city," Ms. Palmer said.

In 1989, the city barred sexually oriented businesses from operating within 1,000 feet of historic districts such as the West End.

The Gold Club would be considered a "dance hall" rather than a sexually oriented business, however, because the female dancers would wear pasties. The city's dance hall ordinance doesn't mention proximity to historic districts.

John Kirkendoll, chief executive officer for the Gold Club, said the bar features female dancers in a cabaret setting.

"The whole notion that we attract a bad crowd of people or a bad clientele is wrong," he said.

An existing Gold Club operates at Swiss Avenue and Central Expressway.

The business sought the Brewery location to draw "white-collar businessmen and conventioners," he said. It has not yet obtained a dance hall permit for the site.

But Bethany Reid, executive director of the West End Association, said, "We want a different kind of atmosphere here."

Mr. Kirkendoll said the landlord at the Brewery is trying to renegotiate the Gold Club's 10-year lease. He declined to give details of the dispute but said the matter is in court.

Assistant City Attorney Postell told the council that moratorium on dance hall permits will "preserve the status quo while the city staff studies the sue.

Only council member Al Scomb voted against the council resolution. He said his colleagues should focus on more important issues, such as drug abuse.

Council member Jim Buer who heads the public safety committee, said he favored the ban. "I believe it's a useful tool to use sparingly, and I believe in one of those appropriate times, said."

1a4B-DL-5754339

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0071 MRI 02140

RR FBIDL

DE FBIMM #0030 2952225

ZNR UUUUU

R 222201Z OCT 91

FM FBI MIAMI (194C-140) (PC-1) (P)

TO FBI DALLAS (194B-DL-57543)/ROUTINE/

BT

UNCLAS

CITE: //3460//

<sup>D</sup>  
SUBJECT: DONALD STEPHENS, MAYOR, ROSEMONT, IL.; [REDACTED]

[REDACTED] ROSEMONT, IL.; [REDACTED]

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[REDACTED] CPO - LOCAL LEVEL;

HOBBS ACT; ITAR - BRIBERY; RICO; OO:DALLAS.

RE DALLAS TELETYPE TO MIAMI DATED APRIL 18, 1991.

IN RESPONSE TO THE ABOVE REFERENCED TELETYPE, MIAMI IS  
PROVIDING THE FOLLOWING INFORMATION WHICH WAS OBTAINED DURING  
THE COURSE OF A MIAMI INVESTIGATION ENTITLED [REDACTED]

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194B-DL-57543-40

SEARCHED	INDEXED
SERIALIZED	FILED
OCT 22 1991	
FBI - DALLAS	

[REDACTED]

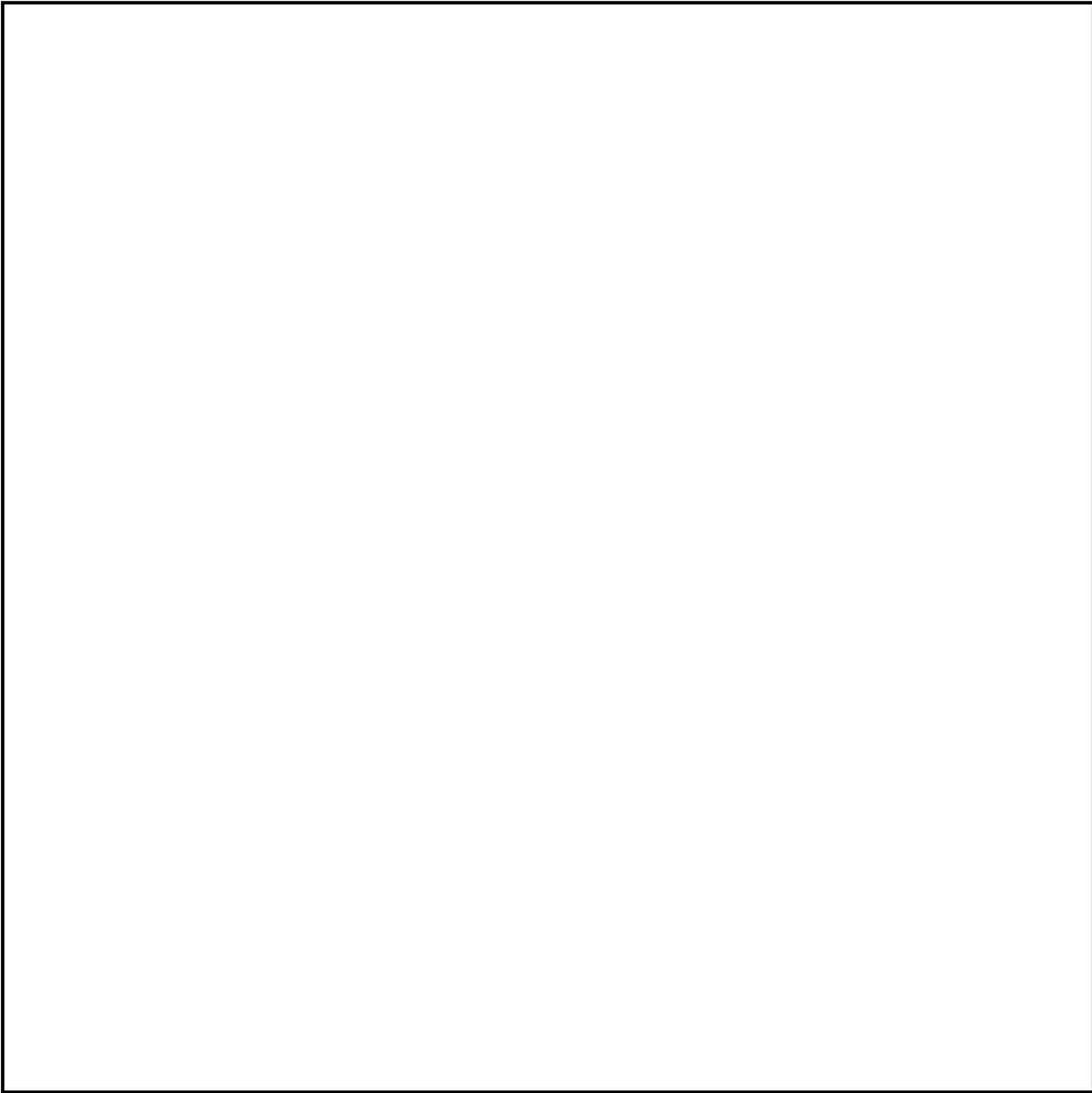
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PAGE TWO DE FBIMM 0030 UNCLAS

[REDACTED] CSLPO - LOCAL LEVEL;

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OO:MM," FILE NUMBER 194B-MM-50311.



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194B-DL-57543

JWM/sgl

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On [redacted] SA [redacted] contacted [redacted]

[redacted] Cooperating Witness (CW) advised that [redacted]

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194B-DL-57543

SEARCHED	INDEXED
SERIALIZED	FILED
MAR 11 1992	
FBI DALLAS	

[redacted]

-40X1

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- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 7/3/91

Physical surveillance of [redacted] was initiated at O'HARE INTERNATIONAL AIRPORT, DELTA terminal #3, Chicago, Illinois, at 1440. [redacted] and his wife were observed leaving DELTA flight 124 at DELTA gate L-3 and proceeding to luggage claim area. While at the luggage claim area, [redacted] is observed using a pay telephone and is overheard to say [redacted] where's dad. Okay, give us five minutes". They are then observed collecting their luggage and proceeding outside to the pickup area where they appear to be waiting for a ride. They are observed entering a blue-hotel van with the word KLUBS printed on the side. The van leaves the airport and travels to southbound River Road and westbound Bryn Mawr Road. The van parks in the front of KLUBS INDOOR GOLF, 5551 Milton Road Parkway, Rosemont, Illinois. [redacted] and his wife leave the van and place their luggage in a silver Jaguar sedan bearing Illinois tags [redacted] [redacted] his wife, and an unknown white male enter KLUBS INDOOR GOLF for a short time, they then exit and all enter the silver Jaguar with unknown white male driving. The vehicle ultimately proceeds to River Road north. The vehicle is observed passing through Rosemont, Des Plaines, Mt. Prospect, Arlington Heights, and Wheeling. The vehicle is observed turning west on Dundee Road and then north on St. Armand Road and then west to 101 Berkshire Drive. All exit the vehicle and converse with a small group assembled on the front yard. Surveillance was then terminated at 1649.

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A check of the Illinois Registration for tag [redacted] revealed this tag to be registered to: [redacted] [redacted] Illinois, and is assigned to a 1988 Jaguar.

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194B-DL-57543-41

SEARCHED	SERIALIZED
OCT 15 1991	
FBI - DALLAS	

Investigation on 6/26/91 at Chicago, Illinois File # 194B-DL-57543by SA [redacted] sjf Date dictated 7/2/91b6  
b7C

FBI

## TRANSMIT VIA:

☐ Teletype  
☐ Facsimile  
☒ AIRTEL

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☐ UNCLAS

Date 10/8/91

1 TO : SAC, DALLAS (194B-DL-57543) (P) (SQ8)  
 2 FROM : SAC, CHICAGO (194B-DL-57543) (RUC) (SQ13/NRA)  
 3 SUBJECT : DONALD STEVENS, MAYOR, ROSEMONT, ILLINOIS;  
 4 [REDACTED] ROSEMONT, ILLINOIS;

5 [REDACTED]  
 6 [REDACTED]  
 7 [REDACTED]  
 8 CPO-LOCAL LEVEL; HOBBS ACT;  
 9 ITAR - BRIBERY; RICO;  
 10 OO: DALLAS

11 Re Chicago airtel to Dallas, May 30, 1991.

12 Chicago indices negative regarding subjects [REDACTED]  
 13 and [REDACTED]

14 Enclosed for Dallas are two copies of an FD-302  
 15 relating to Chicago surveillance conducted on June 26, 1991.

16 At this time, Chicago is placing this matter in a  
 17 RUC status as all logical investigation has been conducted at  
 18 Chicago.

19 ②-Dallas  
 20 2-Chicago  
 21 TB:sjf  
 (4)

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194B-DL-57543 -42

SEARCHED	SERIALIZED
OCT 15 1991	
FBI - DALLAS	

Approved: RPJ/MLC

Transmitted

(Number) (Time)

Per

FBI

## TRANSMIT VIA:

- ☐ Teletype  
☐ Facsimile  
☒ AIRTEL

## PRECEDENCE:

- ☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

- ☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ NCLAS E F T O  
☐ UNCLAS

Date February 4, 1992

To : Director, FBI (Attention: Criminal Investigative Division)  
 From : SAC, Dallas Resident Agency \_\_\_\_\_  
 Subject : Public Corruption Data Transmittal Form (if applicable)

1. Title : (use additional page if necessary) DONALD STEPHENS - MAYOR,  
 ROSEMONT, ILLINOIS; ET AL;  
 CPO - LOCAL LEVEL;  
 ITAR - BRIBERY; RICO.  
 OO: DALLAS

Re: Dallas airtel dated 5/14/91.

2. ☒ Enclosed are the original and three copies of a LHM for dissemination purposes.  
 (check if appropriate)

3. Office of Origin File No. 194B - DL - 57543  
 (include alpha)

4. ☐ Initial submission ☐ Supplemental submission ☒ Final submission (check one)

5. Date opened upon SAC authority 4/15/91

6. Level of subject public official(s) (See codes on reverse. Use additional pages, as necessary, for additional subjects.) (all inclusive)

Level <u>M02</u>	Number of subject (s) <u>1</u>
Level <u>M18</u>	Number of subject (s) <u>1</u>
Level _____	Number of subject (s) _____

7. Indicate which of the following investigative techniques have been utilized to date.  
 (check all appropriate boxes) (all inclusive)

## Code Number / Description

- Z1 ☐ Acct. Tech. Assist.  
 Z2 ☐ Aircraft Assist.  
 Z3 ☐ Computer Assist.  
 Z4 ☒ Consensual Monitoring  
     Tel \_\_\_\_\_ Non Tel \_\_\_\_\_  
 Z5 ☐ Elsur - FISC  
 Z6 ☐ Elsur - Title III  
 Z7 ☐ Eng. Sect. Field Support  
 Z8 ☐ Eng. Sect. Tape Exams  
 Z9 ☐ Hypnosis Assist.  
 Z10 ☐ Ident Div. Assist.  
 Z11 (A) ☐ Symbolized Informant  
 Z11 (B) ☒ Cooperating Witness  
 Z11 (C) ☐ Cooperating Subject  
 Z12 ☐ Lab. Div. Exams  
 Z13 ☐ Lab. Div. Field Support

## Code Number / Description

- Z14 ☐ Pen Registers  
 Z15 ☐ Photo Coverage  
 Z16 ☐ Polygraph Assist.  
 Z17 ☐ Search Warrants Use  
 Z18 ☐ Show Money Use  
 Z19 ☒ Surveillance Squad Use  
 Z20 ☐ Swat Team  
 Z21 ☒ Tech. Agent  
 Z22 ☐ Telephone Toll Records  
 Z23 ☐ Group I UCO  
     Date Init. \_\_\_\_\_ Date Covert Activity Ceased \_\_\_\_\_  
 Z24 ☐ Group II UCO  
     Date Init. \_\_\_\_\_ Date Covert Activity Ceased \_\_\_\_\_  
 Z25 ☐ Undercover - Other  
 Z26 ☐ NCAVG/VI - CAP  
 Z27 ☐ V IA

② Field Office Dallas  
 3 - FBIHQ  
 (1 - White-Collar Crimes Section, Public Corruption Unit)

194B-DL-57543-43

Approved: \_\_\_\_\_ Transmitted \_\_\_\_\_ (Number) (Time) Per \_\_\_\_\_

Serialize \_\_\_\_\_  
 Index \_\_\_\_\_  
 File \_\_\_\_\_  
 Search \_\_\_\_\_

ME/jm

### Codes for Levels of Officials

Federal		Local (Continued)	
K01	President	M13	Law Enforcement Officer - command position Field Office or SSRA city
K02	Vice-President	M14	Law Enforcement Officer - command position Non-Field Office or SSRA city
K03	Cabinet Level	M15	Law Enforcement Officer - ranking officer Field Office or SSRA city
K04	U.S. Senator	M16	Law Enforcement Officer - ranking officer Non-Field Office or SSRA city
K05	U.S. Representative	M17	Other Elected Officials - Field Office or SSRA city
K06	Judge	M18	Other Elected Officials - Non-Field Office or SSRA city
K07	Prosecutor	M19	Public Employee (appointed) - Field Office or SSRA city, managerial level or above
K08	Law Enforcement Official	M20	Public Employee (appointed) - Non-Field Office or SSRA city, managerial level or above
K09	Federal Employee, GS-13 and above	M21	Public Employee (appointed) - Field Office or SSRA city, less than managerial
K10	Federal Employee, GS-12 and below	M22	Public Employee (appointed) - Non-Field Office or SSRA city, less than managerial
K11	Military Personnel, commissioned		
K12	Military Personnel, non-commissioned		
State		Territorial	
L01	Governor	N01	Governor
L02	Lt. Governor	N02	Lt. Governor
L03	Cabinet Level	N03	Cabinet Level
L04	Senator	N04	Senator
L05	Representative	N05	Representative
L06	Judge	N06	Judge
L07	Prosecutor	N07	Prosecutor
L08	Law Enforcement Officer	N08	Law Enforcement Officer
L09	State Employee, managerial or above	N09	Territorial Employee, managerial or above
L10	State Employee, less than managerial	N10	Territorial Employee, less than managerial
Local			
M01	Mayor - Field Office or SSRA city		
M02	Mayor - Non-Field Office or SSRA city		
M03	Legislator (Commissioner, Council- man, etc.) Field Office or SSRA city		
M04	Legislator (Commissioner, Council- man, etc.) Non-Field Office or SSRA city		
M05	Judge - Field Office or SSRA city		
M06	Judge - Non-Field Office of SSRA city		
M07	Prosecutor - Field Office or SSRA city		
M08	Prosecutor - Non-Field Office or SSRA city		
M09	Chief of Police - Field Office or SSRA city		
M10	Chief of Police - Non-Field Office or SSRA city		
M11	Sheriff - Field Office or SSRA city		
M12	Sheriff - Non-Field Office or SSRA city		

**8. Type of Corruption Investigated** (check all appropriate boxes)

**Code Number/Description**

(A) Judicial Corruption

- A1 ☐ Federal  
A2 ☐ State  
A3 ☒ Local  
A4 ☐ Territorial

(B) Legislative Corruption

- B1 ☐ Federal  
B2 ☐ State  
B3 ☒ Local  
B4 ☐ Territorial

(C) Contract Corruption

- C1 ☐ Federal  
C2 ☐ State  
C3 ☐ Local  
C4 ☐ Territorial

**Code Number/Description**

(D) Regulatory Corruption

- D1 ☐ Federal  
D2 ☐ State  
D3 ☐ Local  
D4 ☐ Territorial

(E) Law Enforcement Corruption

- E1 ☐ Federal  
E2 ☐ State  
E3 ☐ Local  
E4 ☐ Territorial

(F)

- F1 ☐ Abuse of Office  
Not Involved

**Code Number/Description**

(G) Election Law Matters

- G1 ☐ Vote Buying  
G2 ☐ Alien Voting  
G3 ☐ Ballot Box Stuffing  
G4 ☐ Fraudulent Registrations  
G5 ☐ Tampering with Voting Equipment  
G6 ☐ Campaign Financing  
G7 ☐ Intimidation  
G8 ☐ All Others

**9. Does corruption involve drug related activity?** (check one) ☐ Yes ☒ No

**10. Statistical Accomplishments** (cumulative total)

- A. Complaints \_\_\_\_\_  
B. Informations \_\_\_\_\_  
C. Indictments \_\_\_\_\_  
D. Convictions \_\_\_\_\_  
E. Pre-trial Diversions \_\_\_\_\_

- F. Acquittal \_\_\_\_\_  
G. Recoveries \_\_\_\_\_  
H. Restitutions \_\_\_\_\_  
I. Potential Economic Loss Prevented \_\_\_\_\_

**11. Forfeiture Provisions Utilized** (check one) ☐ Yes ☒ No

**12. Status of Case** (check one)

- ☐ Pending Preliminary Inquiry (Limited to 90 days)  
☐ Pending Full Investigation  
☒ Closed

**13. Basis for Closing**

**Level of Official**

**Number of Subjects (All Inclusive)**

- ☒ U.S. Attorney Declination \_\_\_\_\_  
☐ Dismissal \_\_\_\_\_  
☐ Acquittal \_\_\_\_\_  
☐ Conviction \_\_\_\_\_  
☐ Administrative by SAC \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
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\_\_\_\_\_

**Additional Administrative Data** (if needed):



U.S. Department of Justice

Federal Bureau of Investigation

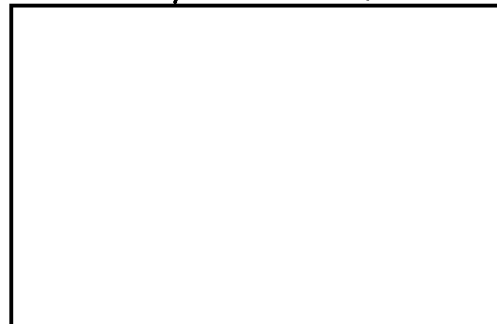
In Reply, Please Refer to  
File No.

Dallas, Texas 75202

February 4, 1992

DONALD STEPHENS - MAYOR,  
ROSEMONT, ILLINOIS;

[REDACTED]  
ROSEMONT, ILLINOIS;



CORRUPTION OF STATE AND  
LOCAL PUBLIC OFFICIALS -  
LOCAL LEVEL;  
HOBBS ACT;  
INTERSTATE TRANSPORTATION  
IN AID OF RACKETEERING -  
BRIBERY;  
RACKETEERING INFLUENCED AND  
CORRUPT ORGANIZATIONS

In April of 1991, the Dallas Office of the Federal  
Bureau of Investigation opened a full investigation into the  
captioned subjects concerning information provided by a  
Cooperating Witness. The preliminary information provided by the  
Cooperating Witness indicated [REDACTED]



1-AUSA (Attn: [REDACTED])  
5-Bureau  
② Dallas (194B-DL-57543)  
JWM/at *At*  
(8)

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Based on this preliminary information, Dallas Office investigation is continuing to work with the Cooperating Witness concerning the possibility of [REDACTED]

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Investigations show that the subjects [REDACTED] attempted to open up the club in the Chicago area, but due to financial reasons, the club never materialized. Surveillance by Dallas and Chicago units indicated that subject [REDACTED]'s father maintained a business up in the Rosemont, Illinois, area and had ties to the Mayor's office.

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On June 27, 1991, subject [REDACTED] flew to Chicago, Illinois, in order to arrange a meeting between [REDACTED] and subject [REDACTED] with the Mayor of Rosemont, Illinois.

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On [REDACTED] it was learned through Cooperating Witness that [REDACTED]

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The Dallas Cooperating Witness was unable to provide additional information concerning [REDACTED]

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Based on this information provided to date, discussions were held with Assistant United States Attorney [REDACTED] who advised that due to lack of evidence concerning same, that he would decline prosecution into this matter.

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## Memorandum



To : SAC DALLAS [redacted]

b7D

Date 4/8/92

From : SA [redacted]

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Subject: [redacted]

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<b>Dates of Contact</b> <div style="text-align: center;">4/13/91</div>		
<b>File #s on which contacted (Use Titles if File #s not available)</b> <div style="text-align: center;">194B-DL-57543</div> <div style="border-bottom: 1px solid black; height: 15px; margin-top: 5px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-top: 5px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-top: 5px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-top: 5px;"></div>		
<b>Purpose and results of contact</b>  <div style="margin-left: 20px;"> <input type="checkbox"/> NEGATIVE  <input checked="" type="checkbox"/> POSITIVE  <input type="checkbox"/> STATISTIC         </div>		
<b>Description of Statistical Accomplishment</b>	<b>Title of Case</b>	<b>File No.</b>
<div style="text-align: right; margin-right: 50px;"> 194B-DL-57543-44  <div style="border: 1px solid black; padding: 5px; display: inline-block;"> SEARCHED <input checked="" type="checkbox"/> INDEXED <input checked="" type="checkbox"/>  SERIALIZED <input checked="" type="checkbox"/> FILED <input checked="" type="checkbox"/>  MAY 4 1992  FBI - DALLAS  <div style="border-top: 1px solid black; height: 15px; width: 100%;"></div> </div> </div>		
Information herein obtained confidentially; informant's name is not to be disclosed in a report or otherwise unless it has been decided definitely that this person is to be a witness in a trial or hearing.		
<b>PERSONAL DATA</b>		

1 - [redacted]  
JPM/sgl (4)

1 - [redacted]

(2) - 194B-DL-57543

b7D

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 4/13/91

A Cooperating Witness (CW) advised that

b6  
b7C  
b7D

Investigation on 4/13/91 Dallas, Texas File # B-DL-57543

by SA  /sql Date dictated 4/15/91

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